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# FAIRCHILD'S FINANCIAL MANUAL OF RETAIL STORES 1989/1990

62nd Annual Edition

Book Division
Fairchild Publications
New York

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**Editor's Note:** In order to present a clearer picture of a company's involvement in the Retail field, we have, in some cases, included only those divisions and subsidiaries related to Retail.

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Standard Book Number 87005-672-7

Printed in the United States of America

# 1988 STATISTICS FOR LEADING U.S. & CANADIAN FOOD CHAINS

| Company | Sales (000's) 1988 | Sales (000's) 1987 | % Change | Net Income (000's) 1988 | Net Income (000's) 1987 | % Change | % Net Income to Sales 1988 | % Net Income to Sales 1987 | Pre-Tax Income (000's) 1988 | Pre-Tax Income (000's) 1987 | Shareholders' Equity (000's) 1988 | Shareholders' Equity (000's) 1987 | % Net Income to Shareholders' Equity 1988 | % Net Income to Shareholders' Equity 1987 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Kroger | $19,053,020 | $17,659,730 | + 7.89 | $34,522 | $246,644 | −86.00 | 0.18 | 1.40 | $51,838 | $323,143 | ($2,678,509) | $1,133,511 | — | 21.76 |
| Amer. Stores | 18,478,354 | 14,272,395 | +29.47 | 98,251 | 154,310 | −36.33 | 0.53 | 1.08 | 207,103 | 291,151 | 1,118,427 | 1,141,531 | 8.78 | 13.52 |
| Geo. Weston (A) | 10,831,200 | 11,034,800 | − 1.85 | 190,500 | 134,100 | +42.06 | 1.76 | 1.22 | 244,300 | 266,100 | 1,131,600 | 1,023,000 | 16.83 | 13.11 |
| Super Valu | 10,296,325 | 9,371,665 | + 9.87 | 135,363 | 111,780 | +21.10 | 1.31 | 1.19 | 224,397 | 198,269 | 778,310 | 677,429 | 17.39 | 16.50 |
| Great A&P | 10,068,000 | 953,100 | — | 127,600 | 103,400 | +23.40 | 1.27 | 10.85 | — | — | 970,800 | 851,300 | 13.14 | 12.15 |
| Winn-Dixie† | 9,007,707 | 8,803,899 | + 2.31 | 116,694 | 112,300 | + 3.91 | 1.30 | 1.28 | 168,824 | 174,249 | 726,348 | 739,418 | 16.07 | 15.19 |
| Loblaw (B) | 8,307,600 | 8,630,700 | − 3.74 | 26,200 | 73,600 | −64.40 | 0.32 | 0.85 | 64,500 | 125,600 | 651,100 | 690,300 | 4.02 | 10.66 |
| Albertson's† | 6,773,061 | 5,869,423 | +15.40 | 162,545 | 125,385 | +29.64 | 2.40 | 2.14 | 256,994 | 211,854 | 800,496 | 665,208 | 20.31 | 18.85 |
| Supermkts. Gen (C) | 5,962,162 | 3,682,038 | +61.93 | (58,863) | (41,783) | — | — | — | (83,236) | (56,139) | (27,275) | 45,299 | — | — |
| Steinberg's (D) | 4,584,685 | 4,491,355 | + 2.08 | (17,011) | 66,926 | — | — | 1.49 | 29,482 | 85,602 | 625,618 | 689,789 | — | 9.70 |
| Oshawa | 4,274,535 | 3,804,015 | +12.37 | 56,870 | 49,887 | +14.00 | 1.33 | 1.31 | 99,406 | 94,207 | 389,645 | 341,374 | 14.60 | 14.61 |
| Vons* (E) | 3,916,600 | 3,276,000 | +19.55 | (23,900) | 1,600 | — | — | 0.05 | (22,400) | 3,100 | 214,000 | 153,900 | — | 1.04 |
| Food Lion | 3,815,426 | 2,953,807 | +29.17 | 112,541 | 85,802 | +31.16 | 2.95 | 2.90 | 182,241 | 150,702 | 430,786 | 339,224 | 26.12 | 25.29 |
| Circle K | 3,441,384 | 2,613,843 | +31.66 | 15,414 | 60,411 | −74.48 | 0.45 | 2.31 | 26,781 | 87,701 | 330,396 | 283,521 | 4.67 | 21.31 |
| Giant Food | 2,987,154 | 2,721,260 | + 9.77 | 97,967 | 75,572 | +29.63 | 3.28 | 2.78 | 159,070 | 131,725 | 427,660 | 355,570 | 22.91 | 21.25 |
| Grand Union* (F) | 2,716,896 | 2,872,148 | − 5.41 | 43,405 | 22,145 | +96.00 | 1.60 | 0.77 | 73,615 | 35,945 | 274,992 | 328,387 | 15.78 | 6.74 |
| Nash Finch | 2,069,583 | 1,919,461 | + 7.82 | 18,175 | 18,502 | − 1.77 | 0.88 | 0.96 | 29,034 | 32,919 | 151,043 | 140,850 | 12.03 | 13.14 |
| Hannaford | 1,261,668 | 1,033,418 | +22.09 | 28,949 | 24,083 | +20.21 | 2.29 | 2.33 | 48,698 | 45,060 | 167,105 | 140,070 | 17.32 | 17.19 |
| Weis Mkts. | 1,189,236 | 1,128,325 | + 5.40 | 82,624 | 75,982 | + 8.74 | 6.95 | 6.73 | 129,908 | 130,832 | 509,819 | 454,012 | 16.21 | 16.74 |
| Penn Traffic | 1,179,924 | 625,208 | +88.73 | (8,430) | 616 | — | — | 0.10 | (10,912) | 2,961 | 32,032 | 8,682 | — | 7.10 |
| Ruddick† | 1,103,867 | 971,353 | +13.64 | 18,379 | 14,365 | +27.94 | 1.66 | 1.48 | 30,584 | 27,512 | 144,204 | 131,262 | 12.75 | 10.94 |
| Nat'l. Convenience | 914,980 | 828,044 | +10.50 | 6,754 | (5,445) | — | 0.74 | — | 215 | (9,898) | 74,613 | 73,511 | 9.05 | — |
| Delchamps* | 899,532 | 863,003 | + 4.23 | 12,140 | 9,802 | +23.85 | 1.35 | 1.14 | 17,822 | 12,653 | 76,789 | 69,887 | 15.81 | 14.03 |
| Marsh Supermkts. | 894,919 | 848,125 | + 5.52 | 8,518 | 7,823 | + 8.88 | 0.95 | 0.92 | 12,328 | 11,935 | 63,134 | 56,645 | 13.49 | 13.81 |
| Ingles Mkts. | 780,497 | 666,870 | +17.04 | 14,149 | 9,169 | +54.31 | 1.81 | 1.37 | 22,924 | 15,869 | 110,414 | 100,657 | 12.81 | 9.11 |
| Dairy Mary (G) | 519,876 | 529,278 | − 1.78 | 4,106 | 4,023 | + 2.06 | 0.79 | 0.76 | 7,758 | 6,671 | 30,049 | 29,118 | 13.66 | 13.82 |
| Foodarama | 496,188 | 482,088 | + 2.92 | 3,504 | 4,217 | −16.91 | 0.71 | 0.87 | 5,656 | 6,826 | 30,436 | 28,328 | 11.51 | 14.89 |
| Arden Group (H) | 350,156 | 359,872 | − 2.70 | 10,205 | 7,375 | +38.37 | 2.91 | 2.05 | 17,296 | 14,952 | 37,372 | 27,482 | 27.31 | 26.84 |

NOTE: Meadowdale Foods, Inc. is a private company; no financial information is available.
Big Bear was acquired by Penn Traffic, December, 1988.
Big V Supermarkets is a private company; no financial information is available.
Borman's was acquired by The Great A&P, January, 1989.
Lucky Stores was acquired by American Stores on June 9, 1989.
Shaw's Supermarkets was acquired by J Sainsbury's of London. Sales, in British pounds, were £5,915,100,000 in 1988 and £5,009,500,000 in 1987.
Stop & Shop went private June 22, 1989.
There is no current information available for Super Rite. Sales for 1987 were $642,485,000.
There is no current information available for Southland. The company went private and is owned by an affiliate of The Thompson Company. Sales for 1987 were $3,211,000,000.
Pueblo Int'l. went private via a leveraged buyout June 4, 1988. Sales for 1987 were $816,100,000.
The criterion for inclusion in this list is that the sales of each chain be at least $350,000,000.
In some instances, comparative figures for 1987 have been restated for various reasons.

( ) Designates a loss.
N.A. Not available.
† 53 weeks in 1988; 52 weeks in 1987.
* 52 weeks in 1988; 53 weeks in 1987.

FOOTNOTES:
(A) Net income of George Weston includes an extraordinary gain of $53,100,000 in 1988.
(B) Loblaw Companies is 77%-owned by George Weston Ltd. Net income includes an extraordinary loss of $14,600,000 in 1988.
(C) 1987 figures for Supermarkets General are for a 33-week period.
(D) Net income of Steinberg's includes an extraordinary loss of $4,099,000 in 1988 and an extraordinary gain of $8,457,000 in 1987.
(E) Net income of Vons includes an extraordinary gain of $5,500,000 in 1987.
(F) Grand Union is a wholly-owned subsidiary of GU Acquisition Corp., a private corporation.
(G) Net income of Dairy Mart includes an extraordinary gain of $300,000,000 in 1987.
(H) Net income of Arden Group includes an extraordinary gain of $12,000 in 1988 and an extraordinary loss of $230,103 in 1987.

## 1988 STATISTICS FOR LEADING DEPARTMENT STORES

| (000s omitted) | Sales 1988 | Sales 1987 | % Change | Profits 1988 | Profits 1987 | % Change | Profit to Sales 1988 | Profit to Sales 1987 | Pre-Tax Profits 1988 | Pre-Tax Profits 1987 | Shareholders' Equity 1988 | Shareholders' Equity 1987 | Profit/Aver. Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dayton Hudson | $12,204,000 | $10,677,000 | 14.3 | $287,000 | $287,000 | 25.9 | 2.4 | 2.1 | $472,000 | $399,000 | $1,861,000 | $1,986,000 | 14.9 |
| May Department Stores | 11,525,000 | 9,690,000 | 18.9 | 534,000 | 534,000 | 20.3 | 4.6 | 4.6 | 781,000 | 735,000 | 3,050,000 | 2,723,000 | 18.5 |
| Batus Retail | 6,250,517 | 5,834,501 | 7.1 | 535,388 | 535,388 | 14.8 | 8.6 | 8.0 | 897,275 | 816,463 | 2,255,623 | 1,845,285 | 26.1 |
| Federated (1) | 4,541,700 | 4,486,300 | 1.2 | (321,600) | (321,600) | N/A | −7.1 | 7.0 | (437,500) | 530,000 | N/A | 2,629,067 | N/A |
| Allied (2) | 2,644.100 | 2,600,000 | 1.7 | 51,000 | 51,000 | N/A | 1.9 | −6.5 | 135,665 | (256,515) | 419,337 | 503,473 | 11.1 |
| Carter Hawley Hale (3) | 2,617,143 | 2,869,205 | −8.8 | 17,600 | 17,660 | N/A | 0.7 | −6.2 | 151,110 | (96,713) | (230,191) | 445,772 | 16.4 |
| Dillard's | 2,558,395 | 2,206,347 | 16.0 | 13,829 | 113,829 | 24.8 | 4.4 | 4.1 | 172,529 | 155,223 | 752,178 | 643,386 | 16.3 |
| Mercantile | 2,265,500 | 2,155,653 | 5.1 | 144,462 | 144,462 | 11.5 | 6.4 | 6.0 | 236,670 | 227,140 | 980,875 | 872,335 | 15.6 |
| Carson Pirie Scott | 1,022,974 | 817,756 | 25.1 | (38,769) | (38,769) | N/A | −3.8 | −3.3 | 2,600 | 12,887 | 115,919 | 148,078 | N/A |
| Strawbridge & Clothier | 904,196 | 814,313 | 11.0 | 27.270 | 27.270 | 0.9 | 3.0 | 3.3 | 45,026 | 48,739 | 210,761 | 190,050 | 13.6 |
| Crowley Milner | 110,741 | 113,735 | −2.6 | 686 | 686 | N/A | 0.6 | −1.7 | 1,029 | (3,585) | 19,286 | 19,109 | 3.6 |
| TOTAL | 40,286,198 | 31,587,810 | 27.5 | 1,063,926 | 1,063,926 | −2.8 | 2.6 | 3.5 | 1,985,404 | 2,168,639 | 7,573,788 | 10,019,555 | 12.1 |

(1) Federated was purchased by Campeau Corp. in April 1988. Sales figures have been adjusted to reflect continuing operations. The loss is a combination of 9 months under predecessor and 3 months under Campeau.
(2) Figures are for continuing operations. Earnings reflect a $330 million gain from the sale of Brooks Brothers.
(3) Year ended August 1.

## 1988 STATISTICS FOR LEADING SPECIALTY STORES

| (000s omitted) | Sales 1988 | Sales 1987 | % Change | Profits 1988 | Profits 1987 | % Change | Profit to Sales 1988 | Profit to Sales 1987 | Pre-Tax Profits 1988 | Pre-Tax Profits 1987 | Shareholders' Equity 1988 | Shareholders' Equity 1987 | Profit/Aver. Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Melville | $6,780,359 | $5,930,283 | 14.3 | $354,510 | $285,384 | 24.2 | 5.2 | 4.8 | $585,605 | $518,601 | $1,706,263 | $1,458,587 | 22.4 |
| The Limited | 4,070,777 | 3,527,941 | 15.4 | 245,136 | 235,188 | 4.2 | 6.0 | 6.7 | 396,136 | 378,188 | 946,207 | 729,171 | 29.3 |
| Nordstrom | 2,327,946 | 1,920,231 | 21.2 | 123,332 | 92,733 | 33.0 | 5.3 | 4.8 | 198,432 | 162,733 | 639,941 | 533,209 | 21.0 |
| TJX, formerly Zayre | 1,920,795 | 1,643,712 | 16.9 | (167,815) | 143,312 | N/A | −8.7 | 8.7 | 115,998 | 263,913 | 543,492 | 731,324 | N/A |
| The Gap | 1,252,097 | 1,062,021 | 17.9 | 74,231 | 69,595 | 6.7 | 5.9 | 6.6 | 125,816 | 124,722 | 276,399 | 272,912 | 27.0 |
| Petrie Stores | 1,218,341 | 1,241,554 | −1.9 | 92,182 | 47,543 | 93.9 | 7.6 | 3.8 | 58,348 | 69,696 | 621,309 | 538,433 | 15.9 |
| Edison Bros. | 918,600 | 931,000 | −1.3 | 36,300 | (12,200) | N/A | 4.0 | −1.3 | 60,200 | (34,500) | 212,900 | 193,300 | 17.9 |
| Charming Shoppes | 725,197 | 638,638 | 13.6 | 38,151 | 42,585 | −10.4 | 5.3 | 6.7 | 56,369 | 69,524 | 228,941 | 193,949 | 18.0 |
| Jacobsons | 356,504 | 326,672 | 9.1 | 11,035 | 10,542 | 4.7 | 3.1 | 3.2 | 16,335 | 17,278 | 76,536 | 67,166 | 15.4 |
| Merry-Go-Round | 298,938 | 255,190 | 17.1 | 11,160 | 10,080 | 10.7 | 3.7 | 3.9 | 18,000 | 17,759 | 63,795 | 52,599 | 19.2 |
| Haverty Furniture | 227,997 | 217,467 | 4.8 | 7,654 | 8,702 | −12.0 | 3.4 | 4.0 | 10,905 | 14,631 | 72,469 | 66,877 | 11.0 |
| Paul Harris Shops | 194,877 | 190,242 | 2.4 | (5,641) | 4,750 | N/A | −2.9 | 2.4 | (11,458) | 6,719 | 45,783 | 51,417 | N/A |
| Deb Shops | 194,050 | 198,447 | −1.0 | 13,750 | 11,954 | 15.0 | 7.1 | 6.6 | 21,700 | 20,604 | 70,636 | 59,635 | 21.1 |
| Gantos | 170,247 | 133,046 | 28.0 | 4,214 | 6,212 | −32.2 | 2.5 | 4.7 | 6,643 | 8,529 | 25,282 | 31,642 | 14.8 |
| Evans | 147,765 | 156,635 | −5.7 | (903) | 2,090 | N/A | −0.6 | 1.3 | (2,648) | 4,354 | 51,885 | 52,706 | N/A |
| Kewin Shops | 26,169 | 27,674 | −5.4 | (260) | (288) | N/A | −1.0 | −1.0 | (260) | (322) | 6,535 | 6,795 | N/A |
| TOTAL | 20,830,659 | 18,383,718 | 13.3 | 837,036 | 958,082 | −12.6 | 4.0 | 5.2 | 1,656,121 | 1,642,429 | 5,588,373 | 5,039,722 | 15.8 |

(Reprinted from *Daily News Record*, August 24, 1989.)

## 1988 STATISTICS FOR LEADING U.S. & CANADIAN DRUG CHAINS

| Company | Sales (000's) 1988 | Sales (000's) 1987 | % Change | Net Income (000's) 1988 | Net Income (000's) 1987 | % Change | % Net Income to Sales 1988 | % Net Income to Sales 1987 | Pre-Tax Income (000's) 1988 | Pre-Tax Income (000's) 1987 | Shareholders' Equity (000's) 1988 | Shareholders' Equity (000's) 1987 | % Net Income to Shareholders' Equity 1988 | % Net Income to Shareholders' Equity 1987 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Imasco (A) | $6,000,554 | $4,613,387 | +30.07 | $204,310 | $245,029 | −16.62 | 3.40 | 5.31 | $390,582 | $322,292 | $2,261,042 | $2,254,235 | 9.04 | 10.87 |
| Walgreen | 4,883,520 | 4,281,606 | +14.06 | 129,062 | 103,537 | +24.65 | 2.64 | 2.42 | 208,970 | 194,183 | 712,644 | 622,328 | 18.11 | 16.64 |
| Rite Aid (B) | 2,868,297 | 2,486,319 | +15.36 | 95,210 | 144,553 | −34.13 | 3.32 | 5.81 | 151,258 | 154,183 | 636,184 | 571,014 | 14.97 | 25.32 |
| Thrifty Corp. (C) | 2,400,000 | 1,843,000 | +30.22 | 66,000 | 49,000 | +34.69 | — | — | — | — | — | — | — | — |
| Longs Drug | 1,925,451 | 1,772,460 | + 8.63 | 55,858 | 49,218 | +13.49 | 2.90 | 2.78 | 92,658 | 88,318 | 309,077 | 299,809 | 18.07 | 16.42 |
| J.C. Penney (D) | 882,000 | 791,000 | +11.50 | — | — | — | — | — | — | — | — | — | — | — |
| Perry Drug (E) | 666,981 | 592,857 | +12.50 | (29,918) | (7,881) | — | — | — | (12,571) | (12,073) | 42,904 | 71,936 | — | — |
| Fay's Drug | 526,627 | 500,414 | + 5.24 | 10,012 | 5,942 | +68.50 | 1.90 | 1.19 | 16,525 | 10,251 | 58,952 | 54,599 | 16.98 | 10.88 |
| Genovese | 366,412 | 313,927 | +16.27 | 5,524 | 4,637 | +19.13 | 1.51 | 1.48 | 9,643 | 7,388 | 34,687 | 30,377 | 15.93 | 15.26 |
| Big B | 271,276 | 248,563 | + 9.14 | 7,216 | 7,276 | − 0.82 | 2.66 | 2.93 | 10,513 | 12,131 | 66,103 | 59,557 | 10.92 | 12.22 |
| Oshawa (F) | 170,900 | 95,600 | +78.77 | — | — | — | — | — | — | — | — | — | — | — |

NOTE: The criterion for inclusion in this list is that the sales of the chain be at least $150,000,000.
K mart Corporation owns Pay Less Drug Stores NW but does not break down its revenues by line of business.
Pay 'n Save sold its retail operations to Thrifty Corporation.
( ) Designates a loss.
† 53 weeks in 1988; 52 weeks in 1987.
* 52 weeks in 1988; 53 weeks in 1987.

FOOTNOTES:
(A) Net income of Imasco includes an extraordinary loss of $110,000,000 in 1988. 1987 figures are for a 9-month period. Drug store segment sales are $2,026,581,000 in 1988 and $1,553,144,000 in 1987.
(B) Net income of Rite Aid includes discontinued operations in 1987.
(C) Thrifty Corporation is a subsidiary of Pacific Enterprises; figures are for the Thrifty segment only.
(D) Sales of J.C. Penney are for the drug store segment only.
(E) The drug store segment sales of Perry Drug are $646,279,000 in 1988 and $571,624,000 in 1987. Net income includes discontinued operations in both years.
(F) Figures for the Oshawa Group are for the drug store segment only. The segment is made up of Kent Drugs and Pharma Plus Drugmarts.

## 1988 STATISTICS FOR LEADING U.S. & CANADIAN SHOE CHAINS

| Company | Sales (000's) 1988 | Sales (000's) 1987 | % Change | Net Income (000's) 1988 | Net Income (000's) 1987 | % Change | % Net Income to Sales 1988 | % Net Income to Sales 1987 | Pre-Tax Income (000's) 1988 | Pre-Tax Income (000's) 1987 | Shareholders' Equity (000's) 1988 | Shareholders' Equity (000's) 1987 | % Net Income to Shareholders' Equity 1988 | % Net Income to Shareholders' Equity 1987 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Melville | $6,780,359 | $5,930,283 | +14.33 | $354,510 | $285,384 | +24.22 | 5.23 | 4.81 | $585,605 | $518,601 | $1,706,263 | $1,458,587 | 20.78 | 19.57 |
| Kinney Shoe (A) | 2,574,000 | 2,065,000 | +24.65 | — | — | — | — | — | — | — | — | — | — | — |
| U.S. Shoe | 2,343,045 | 2,167,554 | + 8.10 | 12,965 | 52,065 | −75.10 | 0.55 | 2.40 | 20,744 | 60,958 | 516,632 | 518,393 | 2.51 | 10.04 |
| Nordstrom | 2,327,946 | 1,928,231 | +20.73 | 123.332 | 92,733 | +33.00 | 5.30 | 4.81 | 198,432 | 162,733 | 639,941 | 533,209 | 19.27 | 17.39 |
| Brown Group (B) | 1,706,565 | 1,571,955 | + 8.56 | 8,283 | 46,853 | −82.32 | 0.49 | 2.98 | 48,414 | 85,838 | 332,705 | 355,001 | 2.49 | 13.20 |
| Edison Bros. (C) | 918,600 | 931,000 | − 1.33 | 36,300 | (12,200) | — | 3.95 | — | 60,200 | (34,500) | 212,900 | 193,300 | 17.05 | — |
| INTERCO (D) | 915,447 | 890,411 | + 2.81 | — | — | — | — | — | — | — | — | — | — | — |
| Genesco (E) | 462,766 | 405,844 | +14.03 | 15,156 | 11,444 | +32.44 | 3.28 | 2.82 | 15,699 | 7,281 | 118,630 | 85,728 | 12.78 | 13.35 |
| Stride Rite (F) | 378,788 | 293,767 | +28.94 | 31,786 | 24,121 | +31.78 | 8.39 | 8.21 | 57,528 | 41,822 | 134,030 | 119,237 | 23.72 | 20.23 |

NOTE: The criterion for inclusion in this list is that the sales of the chain be at least $200,000,000.
Morse Shoe became privately held via a leveraged buyout.
( ) Designates a loss.
† 53 weeks in 1988; 52 weeks in 1987.
* 52 weeks in 1988; 53 weeks in 1987.

FOOTNOTES:
(A) Kinney Shoe is a subsidiary of F.W. Woolworth Co. Figures are for Kinney only.
(B) Sales for the footwear segment of Brown Group are $1,510,469,000 in 1988 and $1,374,618,000 in 1987. Net income includes discontinued operations in both years.
(C) Sales for the footwear segment of Edison Bros. are $459,600,000 in 1988 and $459,000,000 in 1987.
(D) Sales for INTERCO are for the footwear segment only.
(E) Sales for the footwear segment of Genesco are $338,017,000 in 1988 and $307,531,000 in 1987.
(F) Net income of Stride Rite includes discontinued operations in both years.

## 1988 STATISTICS FOR LEADING MASS MERCHANDISERS

| (000s omitted) | Sales 1988 | Sales 1987 | % Change | Profits 1988 | Profits 1987 | % Change | Profit to Sales 1988 | Profit to Sales 1987 | Pre-Tax Profits 1988 | Pre-Tax Profits 1987 | Shareholders' Equity 1988 | Shareholders' Equity 1987 | Profit/Aver. Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sears, Roebuck (1) | $30,256,000 | $28,085,000 | 7.7 | $524,400 | $787,400 | −33.4 | 1.7 | 2.8 | $333,300 | $1,402,000 | $5,398,300 | $6,317,200 | 9.0 |
| K-mart | 27,301,000 | 25,627,000 | 6.5 | 803,000 | 692,000 | 16.0 | 2.9 | 2.7 | 1,244,000 | 171,000 | 5,009,000 | 4,409,000 | 17.1 |
| J.C. Penney | 14,833,000 | 15,332,000 | −3.3 | 807,000 | 608,000 | 32.7 | 5.4 | 4.0 | 1,192,000 | 979,000 | 3,957,000 | 4,173,000 | 19.9 |
| Woolworth | 8,088,000 | 7,177,000 | 12.7 | 288,000 | 251,000 | 14.7 | 3.6 | 3.5 | 444,000 | 406,000 | 1,844,000 | 1,716,000 | 16.2 |
| Montgomery Ward | 4,784,000 | 4,639,000 | 3.1 | 140,000 | 130,000 | 7.7 | 2.9 | 2.8 | N/A | N/A | N/A | N/A | N/A |
| TOTAL | 85,262,000 | 80,860,000 | 5.4 | 2,562,400 | 2,468,400 | 3.8 | 3.0 | 3.1 | 3,213,300 | 2,958,000 | 16,208,300 | 16,615,200 | 15.6 |

(1) Merchandising division.

## 1988 STATISTICS FOR LEADING DISCOUNT STORES

| (000s omitted) | Sales 1988 | Sales 1987 | % Change | Profits 1988 | Profits 1987 | % Change | Profit to Sales 1988 | Profit to Sales 1987 | Pre-Tax Profits 1988 | Pre-Tax Profits 1987 | Shareholders' Equity 1988 | Shareholders' Equity 1987 | Profit/Aver. Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Wal-Mart | $20,649,001 | $15,959,255 | 29.4 | $837,221 | $627,643 | 33.4 | 4.1 | 3.9 | $1,325,467 | $1,068,670 | $3,007,909 | $2,257,267 | 31.8 |
| Ames | 3,362,865 | 2,111,940 | 59.2 | 47,243 | 34,157 | 38.3 | 1.4 | 1.6 | 77,447 | 57,630 | 601,216 | 424,880 | 9.2 |
| Rose's Stores | 1,439,279 | 1,336,794 | 7.7 | 16,356 | 18,095 | −9.6 | 1.1 | 1.4 | 26,456 | 31,612 | 199,834 | 193,273 | 8.3 |
| Jamesway | 782,504 | 701,412 | 11.6 | 9,680 | 11,603 | −16.6 | 1.2 | 1.7 | 15,642 | 20,500 | 127,990 | 118,783 | 7.8 |
| Family Dollar (1) | 669,493 | 560,339 | 19.5 | 27,334 | 24,802 | 10.2 | 4.1 | 4.4 | 44,179 | 46,783 | 167,305 | 159,572 | 16.7 |
| TOTAL | 26,903,142 | 20,669,740 | 30.2 | 937,834 | 716,300 | 30.9 | 3.5 | 3.5 | 1,489,191 | 1,225,195 | 4,104,254 | 3,153,775 | 25.8 |

(1) Year ended August 31.

## 1988 STATISTICS FOR LEADING OFF-PRICE STORES

| (000s omitted) | Sales 1988 | Sales 1987 | % Change | Profits 1988 | Profits 1987 | % Change | Profit to Sales 1988 | Profit to Sales 1987 | Pre-Tax Profits 1988 | Pre-Tax Profits 1987 | Shareholders' Equity 1988 | Shareholders' Equity 1987 | Profit/Aver. Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ross Stores | $634,247 | $575,990 | 10.1 | $26,250 | $17,125 | 53.3 | 4.1 | 3.0 | $36,972 | $18,925 | $114,286 | $118,570 | 22.5 |
| Burlington Coat Factory (1) | 585,442 | 490,595 | 19.3 | 21,709 | 20,262 | 7.1 | 3.7 | 4.1 | 33,764 | 35,588 | 172,555 | 150,830 | 13.4 |
| Syms | 282,555 | 256,756 | 10.0 | 18,736 | 17,780 | 5.4 | 6.6 | 6.9 | 30,921 | 32,561 | 117,550 | 98,811 | 17.3 |
| Dress Barn | 204,968 | 173,671 | 18.0 | 15,832 | 12,908 | 22.7 | 7.7 | 7.4 | 25,041 | 24,447 | 55,982 | 39,779 | 33.1 |
| Clothestime | 171,510 | 178,715 | −4.0 | (2,163) | 6,509 | N/A | 3.6 | N/A | (4,838) | 11,537 | 40,170 | 41,470 | 17.1 |
| TOTAL | 1,885,907 | 1,657,346 | 13.8 | 89,036 | 79,983 | 11.3 | 4.7 | 4.8 | 138,271 | 135,423 | 501,843 | 442,716 | 18.9 |

(1) Year ended October 29.

## 1988 STATISTICS FOR OTHER LEADING RETAILERS

| (000s omitted) | Sales 1988 | Sales 1987 | % Change | Profits 1988 | Profits 1987 | % Change | Profit to Sales 1988 | Profit to Sales 1987 | Pre-Tax Profits 1988 | Pre-Tax Profits 1987 | Shareholders' Equity 1988 | Shareholders' Equity 1987 | Profit/Aver. Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Interco | $2,011,962 | $1,995,974 | 0.8 | $70,150 | $145,003 | −51.6 | 3.5 | 7.3 | $15,695 | $198,737 | ($1,005,750) | $1,251,337 | 57.1 |
| Rapid-American | 1,400,248 | 1,489,415 | −6.0 | (161,612) | (126,602) | N/A | −11.5 | −8.5 | (157,689) | (150,914) | (157,404) | 1,409 | N/A |
| Dollar General | 612,985 | 588,436 | 4.2 | 10,015 | 6,502 | 54.0 | 1.6 | 1.1 | 16,164 | 11,606 | 111,594 | 109,455 | 9.1 |
| Blair Corp. | 418,278 | 362,577 | 15.4 | 32,141 | 22,646 | 50.8 | 8.2 | 6.2 | 54,869 | 40,410 | 97,987 | 90,471 | 36.2 |
| TOTAL | 4,443,473 | 4,436,402 | 0.2 | (47,306) | 47,549 | N/A | −1.1 | 1.1 | (70,961) | 99,839 | (953,573) | 1,452,672 | −19.0 |

## LEADING FOOD CHAIN AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $4,884,805,000 | $4,045,187,000 | +20.76 |
| Net Income | 47,042,000 | 55,450,000 | −15.16 |
| Pre-Tax Income | 73,860,000 | 89,685,000 | −17.65 |
| Shareholders' Equity | 271,122,000 | 382,831,000 | −29.18 |
| % Net Income to Sales | 0.86 | 1.37 | −29.93 |
| % Net Income to Shareholders' Equity | 17.35 | 14.48 | +19.82 |

## LEADING FOOD CHAIN HISTORICAL AVERAGES

| (Average) | Sales | Net Income |
|---|---|---|
| 1988 | $4,884,805,000 | $47,042,000 |
| 1987 | 4,045,187,000 | 55,450,000 |
| 1986 | 3,449,046,000 | 41,244,000 |
| 1985 | 2,991,306,000 | 41,263,000 |
| 1984 | 3,483,547,000 | 43,236,000 |
| 1983 | 3,878,137,000 | 42,921,000 |
| 1982 | 3,642,425,000 | 37,662,000 |
| 1981 | 3,337,345,000 | 34,437,000 |
| 1980 | 2,989,624,000 | 29,390,000 |
| 1979 | 2,520,472,000 | 19,965,000 |

## LEADING DRUG CHAIN AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $1,905,638,000 | $1,594,467,000 | +19.52 |
| Net Income | 60,364,000 | 66,812,000 | − 9.65 |
| Pre-Tax Income | 108,447,000 | 97,084,000 | +11.70 |
| Shareholders' Equity | 515,199,000 | 495,482,000 | + 3.98 |
| % Net Income to Sales | 3.17 | 4.19 | −24.34 |
| % Net Income to Shareholders' Equity | 11.72 | 13.48 | −13.06 |

## LEADING DRUG CHAIN HISTORICAL AVERAGES

| (Average) | Sales | Net Income |
|---|---|---|
| 1988 | $1,905,638,000 | $60,364,000 |
| 1987 | 1,594,467,000 | 66,812,000 |
| 1986 | 1,607,377,000 | 48,067,000 |
| 1985 | 1,685,907,000 | 56,697,000 |
| 1984 | 2,950,485,000 | 73,994,000 |
| 1983 | 2,961,222,000 | 71,191,000 |
| 1982 | 1,473,850,000 | 36,843,000 |
| 1981 | 1,326,068,000 | 33,488,000 |
| 1980 | 1,154,711,000 | 27,073,000 |
| 1979 | 611,382,000 | 16,477,000 |

## LEADING SHOE CHAIN AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $2,045,280,000 | $1,798,227,000 | +13.74 |
| Net Income | 83,190,000 | 71,486,000 | +16.37 |
| Pre-Tax Income | 140,946,000 | 120,390,000 | +17.07 |
| Shareholders' Equity | 523,014,000 | 466,208,000 | +12.18 |
| % Net Income to Sales | 4.07 | 3.98 | + 2.26 |
| % Net Income to Shareholders' Equity | 15.91 | 15.33 | + 3.78 |

## LEADING SHOE CHAIN HISTORICAL AVERAGES

| (Average) | Sales | Net Income |
|---|---|---|
| 1988 | $2,045,280,000 | $83,190,000 |
| 1987 | 1,798,227,000 | 71,486,000 |
| 1986 | 1,868,900,000 | 71,670,000 |
| 1985 | 1,563,646,000 | 51,927,000 |
| 1984 | 1,463,152,000 | 51,793,000 |
| 1983 | 1,543,009,000 | 64,782,000 |
| 1982 | 1,363,954,000 | 48,090,000 |
| 1981 | 1,277,904,000 | 55,256,000 |
| 1980 | 1,130,326,000 | 48,644,000 |
| 1979 | 986,516,000 | 45,213,000 |

## LEADING DEPARTMENT STORE AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $3,662,382,000 | $2,871,619,000 | +27.54 |
| Net Income | 96,721,000 | 99,488,000 | − 2.78 |
| Pre-Tax Income | 180,491,000 | 197,149,000 | − 8.45 |
| Shareholders' Equity | 757,379,000 | 910,869,000 | +16.85 |
| % Net Income to Sales | 2.64 | 2.57 | + 2.72 |
| % Net Income to Shareholders' Equity | 12.77 | 10.92 | +28.66 |

## LEADING SPECIALTY STORE AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $1,301,916,000 | $1,148,982,000 | +13.31 |
| Net Income | 52,315,000 | 59,880,000 | −12.63 |
| Pre-Tax Income | 103,508,000 | 102,652,000 | + 0.83 |
| Shareholders' Equity | 349,273,000 | 314,983,000 | +10.89 |
| % Net Income to Sales | 4.02 | 5.21 | −22.84 |
| % Net Income to Shareholders' Equity | 14.98 | 19.01 | −21.20 |

## LEADING MASS MERCHANDISER AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $17,052,400,000 | $16,172,000,000 | + 5.44 |
| Net Income | 512,480,000 | 493,680,000 | + 3.81 |
| Pre-Tax Income | 803,325,000 | 739,500,000 | + 8.63 |
| Shareholders' Equity | 4,052,075,000 | 4,153,800,000 | − 2.45 |
| % Net Income to Sales | 3.01 | 3.05 | + 1.31 |
| % Net Income to Shareholders' Equity | 12.65 | 11.89 | + 6.39 |

## LEADING DISCOUNTER AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $5,380,628,000 | $4,133,948,000 | +30.16 |
| Net Income | 187,567,000 | 143,260,000 | +30.93 |
| Pre-Tax Income | 297,838,000 | 245,039,000 | +21.55 |
| Shareholders' Equity | 820,851,000 | 630,755,000 | +30.14 |
| % Net Income to Sales | 3.49 | 3.47 | + 0.58 |
| % Net Income to Shareholders' Equity | 22.85 | 22.71 | + 0.62 |

## LEADING OFF-PRICE STORE AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $377,181,000 | $331,469,000 | +13.79 |
| Net Income | 17,807,000 | 15,997,000 | +11.31 |
| Pre-Tax Income | 27,654,000 | 27,085,000 | + 2.10 |
| Shareholders' Equity | 100,369,000 | 88,543,000 | +13.36 |
| % Net Income to Sales | 4.72 | 4.83 | − 2.28 |
| % Net Income to Shareholders' Equity | 17.74 | 18.07 | − 1.83 |

## OTHER LEADING RETAILER AVERAGES

| (Average) | 1988 | 1987 | % Change |
|---|---|---|---|
| Sales | $1,110,868,000 | $1,109,100,000 | + 0.16 |
| Net Income | $(11,826,000) | 11,887,000 | — |
| Pre-Tax Income | (17,740,000) | 24,960,000 | — |
| Shareholders' Equity | (238,393,000) | 363,168,000 | — |
| % Net Income to Sales | — | 1.07 | — |
| % Net Income to Shareholders' Equity | — | 3.27 | — |

# FAIRCHILD'S FINANCIAL MANUAL OF RETAIL STORES 1989/1990

62nd Annual Edition

## Aileen, Inc.

1411 Broadway
New York, New York 10018
(212) 398-9770

**Officers:** Abe Oberlin, chairman of the board & president; C. W. Lillard, v.p.; Francis Holden, v.p.; Robert W. Tarpley, v.p.-finance, treasurer & asst. secretary; Alvin M. Stein, secretary.

**Directors:** Abe Oberlin, chairman; Wilbur L. Ross, Jr., Isidor B. Seidler, Francis Holden, C. W. Lillard, Robert H. Brown.

**Business Activities:** Manufactures women's apparel and markets it through its 129 retail clothing stores located primarily on the East coast.

**Divisions:**

Aileen Division
1411 Broadway
New York, New York 10018
Manufactures and markets moderately priced active sportswear for the young woman.

The Aileen Too Division
1411 Broadway
New York, New York 10018
Manufactures large-sized women's clothing.

**Transfer Agents:**

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

**Stock Exchange(s):** New York

**Ticker Symbol:** AEE

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 129 | 1985 | 44 |
| 1987 | 136 | 1984 | 31 |
| 1986 | 83 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 61,767,000 | $ 865,000 |
| 1987 | 52,218,000 | (6,379,000) |
| 1986 | 44,774,000 | (2,403,000) |
| 1985 | 53,259,000 | 112,000 |
| 1984* | 54,205,000 | (1,951,000) |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 5,149,688 | $ 0.17 |
| 1987 | 5,125,361 | — |
| 1986 | 5,087,180 | — |
| 1985 | 5,075,888 | 0.02 |
| 1984* | 5,075,534 | — |

(Loss)
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 23,794,000 | $ 4.62 |
| 1987 | 22,929,000 | 4.45 |
| 1986 | 29,182,000 | 5.72 |
| 1985 | 31,511,000 | 6.21 |
| 1984 | 31,399,000 | 6.19 |

**Income Account ***

| Year ended | 10/29/88 | 10/31/87 |
|---|---|---|
| Net sales | $ 61,767,000 | $ 52,218,000 |
| Other income | 149,000 | 41,000 |
| Total income | $ 61,916,000 | $ 52,259,000 |
| Cost of sales | 37,156,000 | 34,771,000 |
| Expenses | 23,349,000 | 20,201,000 |
| Interest expense | 546,000 | 145,000 |
| Prov. for idle plant costs | — | 3,521,000 |
| Net Income (Loss) | $ 865,000 | $ (6,379,000) |

* Included in Costs and Expenses, Depreciation: $1,754,000 in 1988 and $1,873,000 in 1987.

**Assets**

| As of | 10/29/88 | 10/31/87 |
|---|---|---|
| Cash | $ 696,000 | $ 669,000 |
| Accts. receiv., net | — | 4,532,000 |
| Due from factor | 3,406,000 | — |
| * Inventories | 18,300,000 | 13,340,000 |
| Other assets | 456,000 | 349,000 |
| Current Assets | $ 22,858,000 | $ 18,890,000 |
| # Fixed assets | 10,996,000 | 11,681,000 |
| Fixed assets held for sale | — | 2,000,000 |
| Other assets | 201,000 | 208,000 |
| Total Assets | $ 34,055,000 | $ 32,779,000 |

**Liabilities**

| | | |
|---|---|---|
| Bank loan | $ 2,554,000 | $ 2,019,000 |
| Bank loan-officer | 1,900,000 | 850,000 |
| Long-term debt, curr. | — | 769,000 |
| Accts. payable | 3,094,000 | 2,880,000 |
| Accruals | 2,713,000 | 2,563,000 |
| Curr. Liabilities | $ 10,261,000 | $ 9,081,000 |
| Long-term debt | — | 769,000 |
| + Common stock | 5,150,000 | 5,150,000 |
| Add. paid-in capital | 11,525,000 | 11,525,000 |
| Retained earnings | 7,119,000 | 6,254,000 |
| Total Liabilities & Shareholders' Equity | $ 34,055,000 | $ 32,779,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Sales | 1.40 | — |
| %Net Income to Equity | 3.64 | — |
| Sales to Inventories | 3.38 | 3.91 |
| Debt to Equity | 0.19 | 0.19 |
| Working Capital | $ 12,597,000 | $ 9,809,000 |
| Current Ratio | 2.23 | 2.08 |
| Shareholders' Equity | $ 23,794,000 | $ 22,929,000 |

## Albertson's, Inc.

P.O. Box 20
250 Parkcenter Boulevard
Boise, Idaho 83726
(208) 385-6200

**Officers:** Warren E. McCain, chairman of the board & chief exec. officer; John B. Carley, president; Kenneth R. Huff, exec. v.p.-distribution; Gary G. Michael, vice-chairman & chief financial & corporate development officer; C. Clinton Joyce, sr. v.p.-management information systems; Alec. R. Gloth, sr. v.p.-store planning; Michael F. Realing, exec. v.p.-store development; Gerald R. Rudd, sr. v.p.-human resources; Wendell E. Hornecker, sr. v.p.-design & construction; Marvin W. Robertson, sr. v.p.-corp. merchandising; Thomas R. Saldin, sr. v.p. & general counsel; W. L. Jordon, exec. v.p.-retail operations; A. Craig Olson, group v.p.-finance; David I. Connolly, v.p.-treasurer; Dennis R. Graves, v.p.-general merchandise/drug operations; Peter W. Gustavson, v.p.-distribution; James L. Jackson, v.p.-dairy operations; Alfred A. Kasner, v.p.-grocery sales; Kenneth R. Kramer, v.p.-service delicatessen sales; Leland M. Pollock, v.p.-meat sales; M. Jed Pritchett, Jr., v.p.-industrial relations; Richard C. Rowe, v.p.-produce & liquor sales; Patrick S. Steele, v.p.-systems development; Jerry R. Timm, v.p.-controller; Steven D. Young, v.p.-personnel; Russell C. Blake, v.p.-bakery sales; John B. Iverson, v.p.-risk mgmt.; George H. Greene, v.p.-pharmacy operations; Donald D. Palmer, v.p.-computer operations; James E. Reynolds, v.p.-marketing; Don C. Meldrum, v.p.-employee development; Richard J. Navarro, v.p.-property & tax accounting; Thomas E. Brother, v.p.-distribution; David G. Dean, v.p.-private label operations; Michael H. McCarthy, v.p. & controller-Distribution & Manufacturing Division; Lee M. Bock, secretary; Carol L. Wood, asst. secretary; John G. Danielson, asst. treasurer.

**Directors:** J. A. Albertson, Kathryn Albertson, R. V. Hansberger, B. Z. Kastler, Warren E. McCain, John B. Fery, Charles D. Lein, John B. Carley, Gary G. Michael, A. Gary Ames, James E. Bruce, H. F. Magnuson, Paul I. Corddry.

**Business Activities:** Operates 497 stores in 17 western and southern states, broken down into 167 conventional supermarkets, 175 superstores, and 127 combination food-drug units, and 28 warehouse stores.

**Transfer Agent(s):**

Morgan Shareholder Service Trust Company
30 West Broadway
New York, New York 10007

West One Bank, Idaho, N.A.
Boise, Idaho

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** ABS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 497 | 1986 | 444 |
| 1988 | 465 | 1985 | 434 |
| 1987 | 452 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1989* | $ 6,773,061 | $ 162,545 |
| 1988 | 5,869,423 | 125,385 |
| 1987 | 5,379,643 | 100,152 |
| 1986 | 5,060,265 | 85,110 |
| 1985 | 4,735,724 | 79,746 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989* | 66,606,351 | $ 2.44 |
| 1988 | 66,870,408 | 1.88 |
| 1987 | 66,666,846 | 1.50 |
| 1986 | 66,340,986 | 1.28 |
| 1985 | 65,903,776 | 1.21 |

* 53 weeks.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.56 | — | — |
| 1988 | 0.48 | — | — |
| 1987 | 0.42 | — | — |
| 1986 | 0.38 | — | — |
| 1985 | 0.34 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 800,496,000 | $ 11.96 |
| 1988 | 665,208,000 | 10.02 |
| 1987 | 594,379,000 | 8.90 |
| 1986 | 518,709,000 | 7.80 |
| 1985 | 434,419,000 | 6.87 |

‡ Adjusted to reflect stock split.

## Albertson's, Inc.

Income Account *
(000's)

| Year ended | 2/2/89 (53 weeks) | 1/28/88 |
|---|---|---|
| Net sales | $ 6,773,061 | $ 5,869,423 |
| Cost of sales | 5,260,459 | 4,554,297 |
| Expenses | 1,251,995 | 1,098,306 |
| Interest expense | 11,979 | 10,267 |
| Other income | (8,366) | (5,301) |
| Income before taxes | $ 256,994 | $ 211,854 |
| Income taxes | 94,449 | 86,469 |
| Net Income | $ 162,545 | $ 125,385 |

* Included in Costs and Expenses, Depreciation and Amortization: $88,362,000 in 1989 and $73,076,000 in 1988.

Assets
(000's)

| As of | 2/2/89 | 1/28/88 |
|---|---|---|
| Cash & short-term securities | $ 81,641 | $ 201,381 |
| Accts. & notes receiv., net | 43,399 | 43,830 |
| *Inventories | 432,322 | 361,579 |
| Prepaid expenses | 8,813 | 9,190 |
| Def. inc. tax benefits | 20,027 | 18,981 |
| Refund. inc. taxes | 5,748 | — |
| Current Assets | $ 591,950 | $ 634,961 |
| #Fixed assets | 959,707 | 725,460 |
| Other assets | 39,329 | 36,793 |
| Deferred income tax benefits | — | 4,861 |
| Total Assets | $ 1,590,986 | $ 1,402,075 |

Liabilities
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 5,655 | $ 5,554 |
| Oblig. under cap. leases, curr. | 5,629 | 4,693 |
| Accts. payable | 375,786 | 328,307 |
| Accrued payroll | 64,458 | 54,613 |
| Income taxes | — | 14,085 |
| Other taxes | 23,570 | 20,775 |
| Other curr. liab. | 13,492 | 11,976 |
| Curr. Liabilities | $ 488,390 | $ 440,003 |
| Long-term debt | 64,041 | 69,696 |
| Oblig. under cap. leases | 113,046 | 113,455 |
| Deferred invest. credit | 8,464 | 11,149 |
| Deferred compensation | 16,864 | 15,147 |
| Deferred income taxes | 4,208 | — |
| Deferred rents payable | 49,862 | 46,558 |
| Other liabilities | 45,615 | 40,859 |
| +Common stock | 66,929 | 66,361 |
| Add. paid-in capital | 36,317 | 26,800 |
| Retained earnings | 697,250 | 572,047 |
| Total Liabilities & Shareholders' Equity | $ 1,590,986 | $ 1,402,075 |

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.79 | 3.61 |
| %Net Income to Sales | 2.40 | 2.14 |
| %Net Income to Equity | 20.31 | 18.85 |
| Sales to Inventories | 15.67 | 16.23 |
| Debt to Equity | 0.24 | 0.29 |
| Working Capital | $ 103,560,000 | $ 194,958,000 |
| Current Ratio | 1.21 | 1.44 |
| Shareholders' Equity | $ 800,496,000 | $ 665,208,000 |

## Alexander's, Inc.

500 Seventh Avenue
New York, New York 10018
(212) 560-2121

**Officers:** Robin L. Farkas, chairman of the board & chief executive officer; Bruce R. Farkas, vice chairman & chief operating officer; Roger A. Barrer, co-president; Louis Powell, co-president; Leon Peck, sr. v.p.-control; Robert Mullen, sr. v.p. & gen. mdse. mgr.; Roger Borgeson, sr. v.p.-human resources; William H. Pavony, sr. v.p.-finance; Edwin Dreher, v.p.-loss prevention; Joan R. Carstens, v.p. & sr. merchandise mgr.; David C. Rubin, v.p. and senior merchandise manager; Robert G. Spevak, v.p. and senior merchandise manager; Robert Greenwald, v.p. & sr. merchandise manager; Donald W. Madsen, v.p.-construction & plant; Gilbert Dick, v.p. & sr. store director; Milton Negrin, v.p. & sr. store director; Albert Doorfee, v.p. & sr. store director; Christopher Gay, v.p.-management information systems; William Bloom, v.p. & director-distribution; Steven Lent, v.p. & exec. personnel administration; Raphael Prosent, v.p.-director of stores; Harvey B. Watson, v.p.-store planning; Thomas M. Coleman, v.p.-financial administration; Patrick C. Racciopi, v.p.-advertising director; Brian M. Kurtz, v.p. & controller; Herbert Paul, tax counsel.

**Directors:** Robin L. Farkas*, chairman of the board; Bruce R. Farkas*, Roger Barrer, David A. Goldberg, Eugene M. Lang, Neil Underberg*, Martin Roaman*, Stephen Mann, Thomas R. DiBenedetto*, Arthur I. Sonnenblick, Harvey I. Froeman*, Harvey Myerson, Donald J. Trump, Ivana M. Trump, Robert S. Trump*.

* Member of the Executive Committee

**Business Activities:** Operates a chain of department stores in the greater New York metropolitan area.

**Transfer Agent(s):**

Manufacturers Hanover Trust Co.
Manufacturers' Stock Transfer Department
P.O. Box 24935
Church Street Station
New York, New York 10249

**Stock Exchange(s):** New York

**Ticker Symbol:** ALX

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 11 | 1985 | 15 |
| 1987 | 14 | 1984 | 15 |
| 1986 | 14 | | |

Sales & Earnings

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1988 | $ 524,800,000 | $ 4,300,000 |
| 1987 | 522,870,000 | 1,314,000 |
| 1986 | 520,129,000 | 4,098,000 |
| 1985 | 520,045,000 | 5,011,000 |
| 1984 | 517,336,000 | 4,009,000 |

| | No. of Com. Shares | Earn. per Share # |
|---|---|---|
| 1988 | 4,980,000 | $ 0.86 |
| 1987 | 4,975,850 | 0.27 |
| 1986 | 4,530,328 | 0.91 |
| 1985 | 4,519,168 | 0.11 |
| 1984 | 4,519,168 | 0.89 |

‡ Including leased departments.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 90,400,000 | $ 18.17 |
| 1987 | 92,935,000 | 18.68 |
| 1986 | 77,367,000 | 17.08 |
| 1985 | 72,913,000 | 16.13 |
| 1984 | 67,902,000 | 15.03 |

Income Account *

| Year ended | 7/25/87 | 7/26/86 |
|---|---|---|
| Net sales | $ 522,870 | $ 520,129 |
| Cost of sales | 387,587 | 387,388 |
| Expenses | 129,370 | 123,448 |
| Interest expense | 3,749 | 5,143 |
| Income before taxes | $ 2,164 | $ 4,150 |
| Income taxes | 850 | 1,460 |
| Cum. effect of change in accntg. | — | (1,408) |
| Net Income | $ 1,314 | $ 4,098 |

* Included in Costs and Expenses, Depreciation and Amortization: $7,099,000 in 1987 and $7,367,000 in 1986.

Assets
(000's)

| As of | 7/25/87 | 7/26/86 |
|---|---|---|
| Cash | $ 3,563 | $ 3,733 |
| Short-term invest. | 15,000 | 11,000 |
| *Inventories | 54,895 | 52,945 |
| Other curr. assets | 8,580 | 10,749 |
| Current Assets | $ 82,038 | $ 78,427 |
| #Fixed assets | 70,921 | 67,826 |
| Investments | 35,854 | 36,389 |
| Other assets | 959 | 1,798 |
| Total Assets | $ 189,772 | $ 184,440 |

Liabilities
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 3,283 | $ 4,024 |
| Accts. payable | 32,369 | 27,766 |
| Income taxes | 250 | 144 |
| Other taxes | 5,091 | 4,288 |
| Curr. Liabilities | $ 40,993 | $ 36,220 |
| Long-term debt | 49,173 | 64,155 |
| Deferred inc. taxes | 6,671 | 6,698 |
| +Common stock | 5,174 | 4,728 |
| Add. paid-in capital | 23,651 | 9,843 |
| Retained earnings | 65,309 | 63,895 |
| Treasury stock | (1,099) | (1,099) |
| Total Liabilites & Shareholders' Equity | $ 189,772 | $ 184,440 |

* At lower of cost (FIFO) or market, as determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.41 | 0.80 |
| %Net Income to Sales | 0.25 | 0.79 |
| %Net Income to Equity | 1.41 | 5.38 |
| Sales to Inventories | 9.52 | 9.82 |
| Debt to Equity | 0.36 | 0.88 |
| Working Capital | $ 41,045,000 | $ 42,207,000 |
| Current Ratio | 2.00 | 2.17 |
| Shareholders' Equity | $ 92,935,000 | $ 77,367,000 |

## Allison's Place, Inc.

(Cascade International, Inc. acquired the assets of the Company on 6/16/89)

3161 East Washington Boulevard
Los Angeles, California 90023
(213) 267-0663

**Officers:** Marvin G. Schenker, chairman of the board, president & chief executive officer; Julius Friedman, exec. v.p. & corp. secretary; Ben Goldstein, exec. v.p.-real estate; Earl Curtis Metzner, exec. v.p..

**Directors:** Marvin G. Schenker, chairman; Julius Friedman, Ben Goldstein, Earl Curtis Metzner, Irving Meshwork.

**Business Activities:** Operates a chain of 255 off-price women's retail apparel stores, including 33 franchises, in 30 states and on three South Pacific islands, under the name Allison's Place. More than half of these stores are located in California (89) and Texas (45).

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 255 | 1986 | 161 |
| 1987 | 236 | | |

* Includes franchised stores.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 37,086,000 | $ (4,473,000) |
| 1987 | 32,397,000 | 315,000 |
| 1986 | 24,628,000 | 627,000 |
| 1985 | 13,368,000 | 329,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,787,600 | $ — |
| 1987 | 2,794,400 | 0.13 |
| 1986 | 1,875,000 | 0.33 |
| 1985 | 1,875,000 | 0.18 |

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 2,107,000 | $ 0.76 |
| 1987 | 6,607,000 | 2.36 |
| 1986 | 702,000 | 0.37 |
| 1985 | (315,000) | — |

(Deficiency)

**Income Account***

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Revenues: | | |
| Retail sales | $ 28,994,000 | $ 22,828,000 |
| Wholesale sales | 6,983,000 | 7,946,000 |
| Franchise fees | 649,000 | 1,217,000 |
| Franchise royalties | 460,000 | 406,000 |
| Total income | $ 37,086,000 | $ 32,397,000 |
| Cost of sales | 23,199,000 | 19,151,000 |
| Expenses | 13,522,000 | 9,351,000 |
| Rental Expense | 4,291,000 | 3,168,000 |
| Loss on reparch. of franchise stores | 756,000 | — |
| Interest expense | 215,000 | 123,000 |
| Income (loss) before taxes | $ (4,897,000) | $ 604,000 |
| Income taxes (credit) | (424,000) | 289,000 |
| Net Income (Loss) | $ (4,473,000) | $ 315,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $497,000 in 1988 and $242,000 in 1987.

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ 1,193,000 | $ 2,108,000 |
| Franchise receivables | 460,000 | 1,348,000 |
| Refundable taxes | 509,000 | — |
| *Inventories | 5,173,000 | 6,955,000 |
| Adv. to employees | 37,000 | 47,000 |
| Other curr. assets | 40,000 | 25,000 |
| Current Assets | $ 7,412,000 | $ 10,483,000 |
| #Fixed assets | 2,895,000 | 1,656,000 |
| Leasehold interests | 634,000 | 123,000 |
| Other assets | 378,000 | 377,000 |
| Total Assets | $ 11,319,000 | $ 12,639,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 1,811,000 | $ 1,811,000 |
| Short-term borrowings | 1,751,000 | — |
| Accts. payable | 3,437,000 | 2,024,000 |
| Accruals | 897,000 | 585,000 |
| Accrued payroll | 360,000 | 270,000 |
| Deferred franchise rev. | 156,000 | 249,000 |
| Income taxes | — | 117,000 |
| Curr. Liabilities | $ 8,412,000 | $ 5,056,000 |
| Notes payable-affil. | 743,000 | 743,000 |
| Deferred inc. taxes | — | 51,000 |
| Other liabilities | 57,000 | 182,000 |
| +Common stock | 28,000 | 28,000 |
| Add. paid-in capital | 5,691,000 | 5,718,000 |
| Retained earnings (deficit) | (3,612,000) | 861,000 |
| Total Liabilities & Shareholders' Equity | $ 11,319,000 | $ 12,639,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Revenues | — | 1.86 |
| % Net Income to Revenues | — | 0.97 |
| % Net Income to Equity | — | 4.77 |
| Debt to Equity | 2.04 | 0.39 |
| Working Capital | — | $ 5,427,000 |
| Current Ratio | — | 2.07 |
| Shareholders' Equity | $ 2,107,000 | $ 6,607,000 |

## American Maize-Products Company

250 Harbor Drive
Stamford, Connecticut 06904
(203) 356-9000

**Officers:** William Ziegler, III, chairman of the board & chief executive officer; Leslie C. Liebo, vice chairman; Alan J. Edly, v.p.-finance; Charles A. Koons, v.p.-corporate development & planning; John R. Tweedy, chairman-Lloyd Home & Building Centers; Donald E. McNicol, secretary & general counsel; Robert A. Britton, treasurer; Edward P. Norris, v.p. & chief financial officer; Cynthia C. Ziegler, asst. secretary; Edmond G. Herve, Jr., controller; Robert S. West, asst. treasurer.

**Directors:** William Ziegler, III*, chairman; Gene K. Beare, Charles B. Cook, Jr.*, Edward Gelsthorpe, Leslie C. Liebo*, Donald E. McNicol*, Alan J. Edly, William C. Steinkraus, John C. Wrightson, Patric J. McLaughlin.

* Member of the Executive Committee

**Business Activities:** The Company's Building Materials Division sells building materials and home improvement items to the do-it-yourself customer and the contractor through 36 Lloyd Home & Building Centers located in New York, Connecticut and Pennsylvania. Also produces corn syrups and other corn products, smokeless tobacco and cigars.

**Divisions:**

Corn Processing Division
Building Materials Division
Tobacco Division

**Subsidiaries:**

American Fructose Corporation (37.6% owned)
Jno. H. Swisher & Son, Inc.
Martin Brothers International, Inc.
Corral-Wodiska y Ca.
Lloyd Home & Building Centers, Inc.
Helme Tobacco Company

**Transfer Agent(s):**

The Bank of New York
New York, New York

**Stock Exchange(s):** American

**Ticker Symbol:** AZE

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 36 | 1985 | 36 |
| 1987 | 34 | 1984 | 39 |
| 1986 | 34 | | |

**Sales & Earnings**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 547,505,000 | $ 1,426,000 |
| 1987 | 506,754,000 | 12,661,000 |
| 1986 | 509,544,000 | 9,732,000 |
| 1985 | 433,168,000 | (4,668,000) |
| 1984 | 414,288,000 | 10,002,000 |

| | No. of Com. Shares | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 6,583,964 | $ 0.22 |
| 1987 | 6,598,283 | 2.10 |
| 1986 | 5,593,660 | 1.82 |
| 1985 | 5,270,412 | — |
| 1984 | 5,253,541 | 1.92 |

(Loss)
+ Of continuing operations only.
‡ Including extraordinary losses of $411,000 ($0.07 per share) in 1987 and $499,000 ($0.09 per share) in 1986.
# Based on the average number of shares outstanding during the year.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Corn processing businesses | $ 298,700,000 | $ 261,300,000 |
| Tobacco businesses | 141,600,000 | 135,300,000 |
| Lloyd Home & Bldg. Ctrs. | 107,200,000 | 110,200,000 |
| Total | $ 547,500,000 | $ 506,800,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.32 | — | — |
| 1987 | 0.32 | — | |
| 1986 | 0.32 | — | — |
| 1985 | 0.32 | — | — |
| 1984 | 0.32 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 151,265,000 | $ 22.97 |
| 1987 | 153,528,000 | 23.27 |
| 1986 | 126,343,000 | 22.59 |
| 1985 | 113,733,000 | 21.58 |
| 1984 | 120,896,000 | 23.01 |

**Income Account* (000's)**

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 547,505 | $ 506,754 |
| Cost of sales | 418,150 | 367,931 |
| Expenses | 101,825 | 90,945 |
| Gain on exch. of deben. | — | (1,816) |
| Interest expense | 14,783 | 15,854 |
| Interest income | (2,125) | (1,471) |
| Other expense | 1,671 | 2,835 |
| Inc bef. taxes | $ 13,201 | $ 32,476 |

## American Maize-Products Company

| | | |
|---|---|---|
| Income taxes | 6,647 | 14,270 |
| Minority interest | 5,128 | 5,134 |
| Net Income | $ 1,426 | $ 13,072 |
| Extraord. loss | — | (411) |
| Net Income & extraord. loss | $ 1,426 | $ 12,661 |

* Included in Costs and Expenses, Depreciation and Amortization: $21,610,000 in 1988 and $20,135,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 33,136 | $ 24,782 |
| Accts. receiv., net | 45,683 | 43,751 |
| Tax refund receiv. | 241 | 135 |
| *Inventories | 93,321 | 89,024 |
| Other curr. assets | 9,027 | 8,991 |
| Current Assets | $ 181,208 | $ 166,683 |
| #Fixed assets | 212,969 | 206,077 |
| Other assets | 12,438 | 13,034 |
| Intangibles | 13,467 | 15,888 |
| Total Assets | $ 420,082 | $ 401,682 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 10,011 | $ 15,000 |
| Long-term debt, curr. | 21,425 | 2,361 |
| Accts. payable | 21,620 | 20,867 |
| Accrued payroll | 5,510 | 6,792 |
| Accrued income taxes | 3,503 | 4,191 |
| Accrued interest | 3,185 | 2,779 |
| Other accruals | 11,143 | 7,356 |
| Curr. Liabilities | $ 76,397 | $ 59,346 |
| Long-term debt | 119,302 | 118,476 |
| Deferred inc. taxes | 34,658 | 32,403 |
| Other liab. | 1,274 | 1,289 |
| Minority interest | 37,186 | 36,640 |
| +Common stock | 5,461 | 5,447 |
| Add. paid-in capital | 40,049 | 39,849 |
| Retained earnings | 108,278 | 110,277 |
| Treasury stock | (2,523) | (2,045) |
| Total Liabilities & Shareholders' Equity | $ 420,082 | $ 401,682 |

* At lower of cost (average & FIFO) or market; corn & tobacco at LIFO.
# Less accumulated depreciation.
+ $0.80 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.41 | 6.41 |
| %Net Income to Sales | 0.26 | 2.58 |
| %Net Income to Equity | 0.94 | 8.51 |
| Sales to Inventories | 5.87 | 5.69 |
| Debt to Equity | 1.00 | 0.88 |
| Working Capital | $ 104,811,000 | $ 107,337,000 |
| Current Ratio | 2.37 | 2.81 |
| Shareholders' Equity | $ 151,265,000 | $ 153,528,000 |

## American Stores Company

5201 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 539-0112
(800) 541-2863

Mailing Address:
P.O. Box 27447
Salt Lake City, Utah 84127-0447

**Officers:** L. S. Skaggs, chairman of the board; Jonathan L. Scott, vice chairman & chief exec. officer; Alan D. Stewart, president & chief operating officer; Victor L. Lund, vice chairman & chief financial & administrative officer; Dennis K. Eck, vice chairman & exec. v.p.; Richard A. Scott, vice chairman & exec. v.p.; Kent T. Anderson, exec. v.p., general counsel & asst. secretary; Michael T. Miller, sr. v.p.-governmental relations; Gerald T. Glancey, sr. v.p., treasurer & asst. secretary; Teresa Beck, sr. v.p.-finance, controller & asst. secretary; Scott Bergeson, sr. v.p.-benefits administration; H. Prentice Merritt, sr. v.p.-planning & development; Jack Lunt, v.p., asst. general counsel & secretary.

**Directors:** Leon G. Harmon*, L. Tom Perry*, L. S. Skaggs*, Aline W. Skaggs*, Earl P. Staten, I. J. Wagner, Barbara S. Preiskel, Louis H. Callister, Jonathan L. Scott*, Dennis K. Eck, Arden B. Engebretsen, James B. Fisher, James H. Henson, Victor L. Lund, John E. Masline, Richard A. Scott, Alan D. Stewart.

* Member of the Executive Committee

**Business Activities:** The Company, through its subsidiaries, is engaged primarily in the operation of retail stores, selling drug and food merchandise thorugh 1,917 retail food, drug, and combination food/drug stores in 39 states.

**Divisions and Subsidiaries:**

American Superstores, Inc.
1209 Highway 19 North
Suite 124
Palm Harbor, Florida 34684
(813) 787-5225

Acme Markets, Inc.
(A subsidiary of American Superstores, Inc.)
75 Valley Stream Parkway
Malvern, Pennsylvania 19355
(215) 889-4000
Operates 292 food stores in seven eastern states under the name 'Acme Markets."

Jewel Food Stores
(A subsidiary of American Superstores, Inc.)
1955 West North Avenue
Melrose Park, Illinois 60160
(312) 531-6000
Operates 219 supermarkets in four midwestern states under the "Jewel" name. Of these stores, 135 are operated in combination with a full-service Osco Drug store.

Star Market Company
(A subsidiary of American Superstores, Inc.)
625 Mt. Auburn Street
Cambridge, Massachusetts 02138
(617) 661-2200
Operates 42 food stores in Massachusetts and Rhode Island under the name "Star Market," and a food-drug combination store in Massachusetts under the name "Star Market Plus."

Jewel Osco
(A subsidiary of American Superstores, Inc.)
1209 Highway 19 North
Suite 124
Palm Harbor, Florida 34684
(813) 787-5225
Operates a combination food-drug store in Florida under the name "Jewel Osco."

American Food and Drug, Inc.
1100 Executive Drive West
Suite 100
Richardson, Texas 75081
(214) 699-4251

Skaggs Alpha Beta, Inc.
(A subsidiary of American Food and Drug, Inc.)
1100 Executive Drive West
Suite 100
Richardson, Texas 75081
(214) 238-7231
Operates 85 "Skaggs Alpha Beta" food-drug combination stores in five southwestern states.

Buttrey Food-Drug
(A subsidiary of American Food and Drug, Inc.)
601 6th Street S.W.
Great Falls, Montana 59403
(406) 761-3401
Operates 45 food-drug combination stores in Washington, Montana, North Dakota, and Wyoming under the "Buttrey Food-Drug" name, and eight food-drug combination stores in Utah under the "Skaggs Alpha Beta" name.

American Drug Stores, Inc.
1500 South Anaheim Boulevard
Anaheim, California 92805
(714) 778-2300
Operates 658 drug stores in 27 states under the "Osco Drugs" and "Sav-on" names.

Sav-on, Inc.
(A subsidiary of American Drug Stores, Inc.)
1500 South Anaheim Boulevard
Anaheim, California 92805
(714) 778-2300

Osco Drug
(A subsidiary of American Drug Stores, Inc.)
1818 Swift Avenue
Oak Brook, Illinois 60521
(312) 572-5000

Alpha Beta Company
777 South Harbor Boulevard
La Habra, California 90631
(714) 738-2000
Operates 220 Alpha Beta food stores in California and Nevada.

Skaggs Telecommunications Service, Inc.
5181 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 537-1427

**Acquisition:**

Lucky Stores, Inc.
6300 Clark Avenue
P.O. Box BB
Dublin, California 94568
(415) 833-6000
Operates 347 food stores in California and Nevada.

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

**Stock Exchange(s):** New York, Philadelphia, Pacific, Midwest

**Ticker Symbol:** ASC

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,917 | 1986 | 1,498 |
| 1987 | 1,460 | 1985 | 1,493 |

**Sales & Earnings**

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1989 | $ 18,478,356 | $ 98,251 |
| 1988 | 14,272,395 | 154,310 |
| 1987 | 14,021,484 | 144,528 |
| 1986 | 13,889,528 | 154,470 |
| 1985* | 12,118,793 | 185,525 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 30,185,000 | $ 2.54 |
| 1988 | 30,830,000 | 4.19 |
| 1987 | 31,656,000 | 3.79 |
| 1986 | 31,464,000 | 4.11 |
| 1985* | 30,076,000 | 4.01 |

* 53 weeks.
# Based on the average number of shares outstanding.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.88 | — | — |
| 1988 | 0.84 | — | — |
| 1987 | 0.84 | — | — |
| 1986 | 0.69 | — | — |
| 1985 | 0.64 | — | — |

### Common Stock Equity

| | Total Equity ‡ | Equity Per Share + |
|---|---|---|
| 1989 | $ 922,122,000 | $ 30.55 |
| 1988 | 885,744,000 | 28.73 |
| 1987 | 838,093,000 | 26.64 |
| 1986 | 767,811,000 | 24.40 |
| 1985 | 676,752,000 | 22.50 |

‡ After allowing for preferred stock at liquidation value.
+ Based on the average number of shares outstanding.

### Income Account *
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 18,478,354 | $ 14,272,395 |
| Cost of sales | 13,912,115 | 10,737,505 |
| Expenses | 4,121,900 | 3,148,222 |
| Interest expense | 285,421 | 110,906 |
| Interest income | (9,828) | (2,029) |
| Other income | (38,357) | (13,360) |
| Income before taxes | $ 207,103 | $ 291,151 |
| Income taxes | 108,852 | 136,841 |
| Net Income | $ 98,251 | $ 154,310 |

* Included in Costs and Expenses, Depreciation and Amortization: $297,835 in 1989 and $198,425 in 1988.

### Assets
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & temp. cash invest. | $ 9,458 | $ 30,698 |
| Receiv., net | 232,055 | 154,748 |
| *Inventories | 1,784,714 | 1,372,883 |
| Prepaid expenses | 72,717 | 40,793 |
| Def. inc. tax benefits | 54,521 | 64,978 |
| Current Assets | $ 2,153,465 | $ 1,664,100 |
| #Fixed assets | 2,510,668 | 1,651,549 |
| Prop. under cap. lease | 155,869 | 100,956 |
| Intangibles | 1,899,439 | 89,313 |
| Other assets | 290,979 | 144,279 |
| Total Assets | $ 7,010,420 | $ 3,650,197 |

### Liabilities
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 283,021 | $ 14,245 |
| Cap. lease oblig. curr. | 14,815 | 11,317 |
| Accounts payable | 980,988 | 696,822 |
| Accrued payroll | 320,482 | 252,160 |
| Other accruals | 532,418 | 315,859 |
| Income taxes | 56,755 | 42,979 |
| Curr. Liabilities | $ 2,188,479 | $ 1,333,382 |
| Long-term debt | 3,119,225 | 890,645 |
| Cap. lease oblig. | 169,707 | 133,779 |
| Other liabilities | 302,705 | 119,024 |
| Deferred inc. taxes | 311,877 | 31,836 |
| +Preferred stock: | | |
| Series A | 196,305 | 198,098 |
| Series B | — | 57,689 |
| ++Common stock | 31,992 | 31,950 |
| Add. paid-in capital | 133,197 | 151,238 |
| Retained earnings | 857,659 | 807,403 |
| Treasury stock | (100,726) | (104,847) |
| Total Liabilities & Shareholders' Equity | $ 7,010,420 | $ 3,650,197 |

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. Series A, $4.375 cumulative convertible exchangeable; Series B, $6.80 cumulative exchangeable.
++ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income before Taxes to Sales | 1.12 | 2.04 |
| %Net Income to Sales | 0.53 | 1.08 |
| %Net Income to Equity | 8.78 | 13.52 |
| Sales to Inventories | 10.35 | 10.40 |
| Debt to Equity | 3.21 | 0.92 |
| Working Capital | — | $ 380,718,000 |
| Current Ratio | — | 1.25 |
| Shareholders' Equity | $ 1,118,427,000 | $ 1,141,531,000 |

## Ames Department Stores, Inc.

2418 Main Street
Rocky Hill, Connecticut 06067
(203) 563-8234

**Officers:** Peter B. Hollis, president & chief executive officer; Leslie E. Dietzman, exec. v.p.-merchandising; James McKitrick, exec. v.p. & chief administrative officer; Duane R. Wolter, exec. v.p. & chief financial officer; Earl M. Spector, exec. v.p.-real estate and legal & secretary; Philip M. Chruaz, sr. v.p.-finance; Jeffrey W. Dentz, sr. v.p.-human resources; John P. Kearney, sr. v.p.-operations; Stephen J. Jelin, sr. v.p. & general merchandise mgr.; Paul W. Reese, Jr., sr. v.p.-distribution services; Richard E. Nawrot, sr. v.p.-management information systems; Frank Horacek, v.p.-real estate; Ronald C. Stacy, v.p.-construction; James J. Aglio, v.p. & general merchandise mgr.; Alan S. Close, v.p. & general merchandise mgr.; Charles Rilling, v.p. & general merchandise mgr.; Stuart H. Kessler, v.p. & general merchandise mgr.; Andrew Cohan, v.p.-merchandise administration; Joseph Calogine, v.p.-store planning; Richard H. Howk, v.p. & gen. mgr.-Mathews & Boucher; Robert A. Tremblay, v.p.-merchandise control; John R. Ranelli, v.p. & treasurer; Robert S. Jacobs, v.p.-manpower planning & recruitment; Kerrie R. Flanagan, v.p.-planning & analysis; John Cook, v.p.-operations; Michelle Garvey, v.p.-mgmt. info. services; Dorene Robotti, v.p.-legal; Darrell Heun, v.p.-advertising & sales promotion; Joseph F.H. Neal, v.p.-distribution services; Stuart J. Shapiro, v.p.-merchandise information office; John J. Sullivan, v.p. & controller; Anthony D. Atenasio, v.p.-special projects; Paul M. Bass, v.p. & merchandise mgr.; William D. Benner, v.p.-operations, Zayre Stores Division; David W. Bodiford, v.p.-loss prevention & internal audit; Vincent F. Botti, v.p. & regional dir.-operations, Zayre Stores Division; Anthony J. Davenport, v.p.-MIS operations; Emanuel J. Francione, v.p. & merchandise mgr.; William H. Ginsburg, v.p.-imports; Stan B. Latacha, v.p. & marketing director; Richard T. Lawler, v.p. & gen. mgr.-JBA Management, Inc.; William G. Lemke, v.p. & regional dir.-operations, Zayre Stores Division; William R. Marginson, v.p. & regional dir.-operations, Zayre Stores Division; Frank C. Martell, v.p.-distribution services; David B. Muensterman, v.p. & general merchandise mgr.; Russell L. Schaller, v.p. & regional dir.-operations, Zayre Stores Division; Stanley F. Tavarone, v.p. & regional dir.-operations, Zayre Stores Division.

**Directors:** Michael D. Leavitt, Melvin M. Rosenblatt*, John F. Geisse, James A. Harmon*, Norman B. Asher*, Peter B. Hollis*, Earl M. Spector, Norman Ricken, Maurice Segall, Arthur F. Loewy.

* Member of the Executive Committee

**Business Activities:** Operates chains of self-service discount department stores and variety stores under the Ames, Zayre, G.C. Murphy, and Bargain World names in 20 states, primarily in the East, and the District of Columbia. Also engaged in the wholesale distribution of sporting goods.

**Divisions and Subsidiaries:**

Mathews and Boucher, Inc.
Rochester, New York
Wholesaler of sporting goods.

G.C. Murphy Company
McKeesport, Pennsylvania
Operates 172 variety stores in 15 states.

**Acquisition:**

Zayre Corporation Discount Division
Operates 317 Zayre Discount Department Stores in 19 states and the District of Columbia.

**Transfer Agent(s):**

American Stock Transfer Compa.
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** ADD

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 850 | 1986 | 450 |
| 1988 | 488 | 1985 | 180 |
| 1987 | 463 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 3,271,280,000 | $ 47,243,000 |
| 1988 | 2,027,179,000 | 34,157,000 |
| 1987* | 1,809,941,000 | 27,129,000 |
| 1986 | 1,449,016,000 | 40,367,000 |
| 1985 | 783,360,000 | 28,516,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 39,524,000 | $ 1.20 |
| 1988 | 37,613,000 | 0.91 |
| 1987* | 37,407,000 | 0.73 |
| 1986 | 34,298,000 | 1.19 |
| 1985 | 27,167,000 | 1.00 |

* 53 weeks.
‡ Based on the weighted average number of shares outstanding adjusted to refect stock splits.

### Common Stock

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.10 | — | — |
| 1988 | 0.10 | — | — |
| 1987 | 0.10 | — | — |
| 1986 | 0.10 | — | 2-for-1 |
| 1985 | 0.10 | — | 2-for-1 |

+ Adjusted to reflect stock splits.

### Common Stock Equity

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 466,216,000 | ‡ $ 13.21 |
| 1988 | 424,880,000 | 11.30 |
| 1987 | 394,205,000 | 10.54 |
| 1986 | 367,823,000 | 10.72 |
| 1985 | 124,631,000 | 4.59 |

‡ After allowing for preferred stock at fair value.
+ Adjusted to reflect stock splits.

## Ames Department Stores, Inc.

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 3,271,280 | $ 2,027,179 |
| Other income | 43,979 | 29,745 |
| Total income | $ 3,315,259 | $ 2,056,924 |
| Cost of sales | 2,386,552 | 1,467,314 |
| Expenses | 759,450 | 484,509 |
| Depreciation & amortization | 50,002 | 30,798 |
| Interest expense | 41,808 | 16,673 |
| Income before taxes | $ 77,447 | $ 57,630 |
| Income taxes | 30,204 | 24,637 |
| Cum. effect of accntg. change | — | (1,164) |
| Net income | $ 47,243 | $ 34,157 |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 41,816 | $ 7,174 |
| Cert. of dep. & oblig. | 141,854 | 16,124 |
| Receiv., net | 51,486 | 17,512 |
| *Inventories | 943,111 | 470,549 |
| Refundable income taxes | 1,833 | — |
| Deferred income taxes | 6,860 | 1,784 |
| Prepaid expenses | 47,571 | 26,305 |
| Current Assets | $ 1,234,531 | $ 539,448 |
| #Fixed assets | 647,059 | 269,970 |
| Other assets & defer. charges | 23,406 | 7,745 |
| Leaseholds | 224,568 | 29,537 |
| Total Assets | $ 2,129,564 | $ 846,700 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 82,112 | $ 15,079 |
| Accts. payable | 358,257 | 200,083 |
| Accruals | 140,984 | 44,158 |
| Taxes payable | 35,492 | 910 |
| Dividends payable | 4,059 | 944 |
| Other curr. liab. | 71,906 | 1,152 |
| Current Liabilities | $ 692,810 | $ 262,326 |
| Deferred income taxes | 27,995 | 25,117 |
| Long-term debt | 593,054 | 45,591 |
| Cap. lease oblig. | 160,440 | 77,522 |
| Other liabilities | 44,429 | 5,325 |
| Exc. of acq. assets over value | 9,620 | 5,939 |
| +Preferred stock | 135,000 | — |
| ++Common stock | 18,956 | 18,922 |
| Add. paid-in capital | 222,397 | 221,348 |
| Retained earnings | 228,559 | 188,190 |
| Treasury stock | (3,696) | (3,580) |
| Total Liabilities & Shareholders' Equity | $ 2,129,564 | $ 846,700 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value; 6% cumulative convertible.
++ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.37 | 2.84 |
| %Net Income to Sales | 1.44 | 1.68 |
| %Net Income to Equity | 7.86 | 8.04 |
| Sales to Inventories | 3.47 | 4.31 |
| Debt to Equity | 1.39 | 0.33 |
| Working Capital | $ 541,721,000 | $ 277,122,000 |
| Current Ratio | 1.78 | 2.06 |
| Shareholders' Equity | $ 601,216,000 | $ 424,880,000 |

## Amfac, Inc.

(Acquired by JMB Realty, a private corporation.)

44 Montgomery Street
P.O. Box 7813
San Francisco, California 94120
(415) 772-3506

**Officers:** Henry A. Walker, Jr., chairman of the board; Chauncey E. Schmidt, vice chairman; Richard L. Griffith, president & chief exec. officer; Ronald H. Dykehouse, exec. v.p. & chairman-Amfac Distribution Corp. and Amfac Foods, Inc.; John E. Gomena, exec. v.p.; Robert H. Ozak, exec. v.p. & chairman-Amfac Hawaii, Inc.; Richard A. Naille, II, exec. v.p. & chairman-Amfac Resorts, Inc.; Donald C. Onasch, exec. v.p. & chairman-Amfac Stores, Inc.; Thomas L. Braje, sr. v.p. & chief financial officer; Chester A. Richardson, sr. v.p. & gen. counsel; Keith V. Mabee, sr. v.p.-corp. communications; Richard D. Baum, sr. v.p.-administration.

**Directors:** Kenneth F. Brown, Richard L. Griffith, Mary Anne Normandin, Marion K. Pinsdorf, William F. Quinn, Patricia Saiki, Chauncey E. Schmidt, H. A. Walker, Jr..

**Business Activities:** Retail operations include the Hawaiian-based Liberty House department stores and resort shops. Liberty House department stores feature merchandise in the medium to higher price ranges. Liberty House resort shops emphasize Polynesian and resort apparel. Some stores have limited men's, subteens' and children's wear departments. The company also operates resorts, hotels, restaurants, travel and tour agencies, property development companies, sugar companies, wholesale nurseries, food processing companies, and distributes pharmaceutical and health care products, electrical and mechanical supplies, building materials, machinery and equipment.

**Divisions and Subsidiaries:**

Retail Group

Liberty House
Honolulu, Hawaii
Department, resort and specialty stores in Hawaii.

Food Group

Amfac Foods, Inc.
Portland, Oregon

Amfac Amycel
Producer of mushroom spawn.

Lamb-Weston, Inc.
Portland, Oregon
Processor of frozen potato and fruit products in Idaho, Oregon, and Washington.

Monterey Mushrooms, Inc.
Santa Cruz, California
Grower and processor of mushrooms.

Gourmet Brands
Boardman, Oregon
Potato processor and marketer.

Hotel and Resorts Group

Amfac Resorts, Inc.
Grand Canyon, Arizona
Operates 12 hotels and resorts in the western continental U.S. and Hawaii.

Distribution Group

Amfac Distribution Corporation
Burlingame, California

Amfac Health Care
Folsom, California
Pharmaceutical distribution branches.

Amfac Electric Supply Co.
Folsom, California
Electrical supplies distribution branches.

Hawaii Group

Amfac Hawaii, Inc.
Honolulu, Hawaii

Amfac Sugar and Agribusiness, Inc.
Honolulu, Hawaii
Production of agricultural products.

Amfac Properties
Honolulu, Hawaii
Planning, development, and management of the company's lands in Hawaii which are not used by other operating groups.

Amfac Tropical Products
Kenou, Hawaii
Production of tropical fruit.

Oahu Waste Energy Recovery, Inc.
Development and operation of a municipal waste cogeneration facility on Oahu.

Amfac Property Investment Corp.
Honolulu, Hawaii
Property investment.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 39 | 1984 | 88 |
| 1986 | 39 | 1983 | 83 |
| 1985 | 85 | | |

**Sales & Earnings**

| | Revenues + (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1987 | $ 2,195,062 | $ 5,021 |
| 1986 | 1,962,204 | (66,599) |
| 1985 | 1,921,975 | 17,912 |
| 1984 | 1,854,509 | (14,149) |
| 1983 | 1,781,473 | (68,026) |

| | No. of Com. Shares | Earn. per Shares # ‡ |
|---|---|---|
| 1987 | 17,124,039 | $ 0.04 |
| 1986 | 16,679,635 | — |
| 1985 | 16,636,622 | 1.09 |
| 1984 | 16,633,327 | — |
| 1983 | 16,619,474 | — |

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $4,279,000 ($0.29 per share) in 1983.
# Based on the average number of common shares and common share equivalents outstanding.

**Revenues By Line of Business**

| | 1987 (000's) | % |
|---|---|---|
| Food | $ 516,553 | 24 % |
| Distribution | 1,123,007 | 51 |
| Retail | 283,458 | 13 |
| Hawaii: | | |
| Agriculture | 123,648 | 5 |
| Property | 14,969 | 1 |
| Resorts | 133,868 | 6 |
| Corporate | (441) | — |
| Total | $ 2,195,062 | 100 % |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ — | — | — |
| 1986 | — | — | — |
| 1985 | — | — | — |
| 1984 | 1.44 | — | — |

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share |
|---|---|---|
| 1987 | $ 346,220,000 | $ 21.22 |
| 1986 | 338,550,000 | 21.33 |
| 1985 | 407,998,000 | 25.78 |
| 1984 | 407,924,000 | 24.68 |
| 1983 | 427,790,000 | 27.05 |

‡ After allowing for preferred stock at involuntary liquidation values.

**Income Account**
(000's)

| Year ended Dec. 31 | 1987 | 1986 |
|---|---|---|
| Revenues | $ 2,195,062 | $ 1,962,204 |
| Cost of sales | 1,695,988 | 1,452,748 |
| Expenses | 393,590 | 434,660 |
| Depreciation & amortization | 43,088 | 41,949 |
| Interest expenses | 36,519 | 48,[illegible] |
| Inc. (loss) bef. taxes | $ 25,877 | $ (15,087) |
| Income taxes (credit) | 11,256 | (2,245) |
| Income (loss) - cont. oper | $ 14,621 | $ (13,442) |
| Loss-discont. oper. | (9,600) | (53,157) |
| Net Income (Loss) | $ 5,021 | $ (66,599) |

**Assets**
(000's)

| As of Dec. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 18,605 | $ 11,387 |
| Receiv., net | 227,558 | 275,216 |
| *Inventories | 355,840 | 341,904 |
| Prepaid expenses | 32,041 | 26,419 |
| Current Assets | $ 634,044 | $ 654,926 |
| Investments | 70,400 | 73,090 |
| #Fixed assets | 335,890 | 372,167 |
| Long-term notes receiv. | 28,033 | 49,508 |
| Other assets | 9,941 | 10,940 |
| Total Assets | $ 1,078,308 | $ 1,160,631 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 30,300 | $ 35,305 |
| Accts. payable & accruals | 318,315 | 332,647 |
| Income taxes | 1,100 | 1,108 |
| Curr. Liabilities | $ 349,715 | $ 369,060 |
| Long-term debt | 253,252 | 317,876 |
| Deferred credits | 21,217 | 35,465 |
| Deferred inc. taxes | 42,531 | 34,192 |
| +Preferred stock: | | |
| $2.50 | 341 | 363 |
| Series B $1 | 8,877 | 8,913 |
| $1.875 | 47,596 | 47,469 |
| ++Common Stock | 154,264 | 151,368 |
| Retained earnings | 224,898 | 220,310 |
| Eq. in Amfac stock held by nonconsol. partnership | (24,385) | (24,385) |
| Total Liabilities & Shareholders' Equity | $ 1,078,308 | $ 1,160,631 |

* At lower of cost or market. Food groups at LIFO, retail stores by the retail method, others at average.
# Less accumulated depreciation and amortization.
+ No par value, cumulative convertible.
++ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 1.22 | — |
| Debt to Equity | 0.69 | 0.87 |
| Working Capital | $ 284,329,000 | $ 285,866,000 |
| Current Ratio | 1.81 | 1.77 |
| Shareholders' Equity | $ 411,593,000 | $ 404,038,000 |

## Angelica Corporation

10176 Corporate Square Drive
Suite 100
St. Louis, Missouri 63132
(314) 991-4150

**Officers:** Leslie F. Loewe, chairman of the board & chief exec. officer; Lawrence J. Young, president & chief operating officer; Allyn J. Aach, v.p.; James E. Stefcff, exec. v.p., pres.-Rental Group; Theodore M. Armstrong, sr. v.p.-finance & administration & chief financial officer; Donald C. Wickard, v.p., president-Retail Stores; Robert M. Baker, treasurer; L. Linden Mann, controller & asst. secretary; Charles D. Molloy, Jr., controller; John S. Aleman, v.p.-human resources; Jill Witter, secretary & house counsel.

**Directors:** Leslie F. Loewe, chairman; Lee M. Liberman, Richard A. Meyer, Elliot H. Stein, H. Edwin Trusheim, Robert C. West, William P. Stiritz, Earle H. Harbison, Jr., Lawrence J. Young.

**Business Activities:** Operates a national chain of retail uniform and shoe stores; manufactures and markets uniforms and career apparel for institutions and businesses; provides rental and laundry services of textiles and garments primarily to health care institutions.

**Divisions and Subsidiaries:**

Manufacturing and Marketing

Angelica Uniform Group Inc.
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111
Designs, manufactures, warehouses and markets a line of washable and tailored non-washable vocational attire.

Angelica-Whitewear Ltd.
5550 Fullum Street
Montreal, Quebec H2G 2H4, Canada
(514) 271-4671
Designs, manufactures, and markets vocational apparel.

Angelica Uniform of Canada, Ltd.
35 Suntract Road
Weston, Ontario M9N 2V8, Canada
(416) 247-7482
Designs, manufactures and makes vocational apparel.

Retail Stores

Life Uniform & Shoe Shops
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111
Operates a nationwide chain of specialty stores selling a full line of uniforms, shoes and related accessories principally to registered nurses.

Rental Services

Angelica Healthcare Services Group, Inc.
10176 Corporate Square Drive
Suite 150
St. Louis, Missouri 63132
(314) 991-2931
Provides delivery and cleaning on a rental basis of surgical specialty textiles, garments and hospital linens.

Angelica Healthcare Services Group, Inc.
Western Divisional Office
300 Ranger Street
Brea, California 92621
(714) 579-0909

Angelica Healthcare Services Group, Inc.
Eastern Divisional Office
10176 Corporate Square Drive
St. Louis, Missouri 63132
(314) 991-2931

**Transfer Agent(s):**

Boatmen's Trust Company
Stock Transfer Department
510 Locust Street
St. Louis, Missouri 63101

**Stock Exchange(s):** New York

**Ticker Symbol:** AGL

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 195 | 1986 | 210 |
| 1988 | 187 | 1985 | 129 |
| 1987 | 203 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1989 | $ 328,134,000 | $ 16,642,000 |
| 1988 | 306,669,000 | 17,235,000 |
| 1987 | 291,704,000 | 16,701,000 |
| 1986 | 269,099,000 | 17,159,000 |
| 1985 | 246,404,000 | 16,328,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1989 | 9,342,871 | $ 1.79 |
| 1988 | 9,342,271 | 1.85 |
| 1987 | 9,305,061 | 1.79 |
| 1986 | 9,291,832 | 1.84 |
| 1985 | 9,268,413 | 1.76 |

+ Includes rental service revenues.
‡ Based on the average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Manufacturing & marketing | $ 153,805,000 | $ 144,893,000 |
| Rental serv. | 155,352,000 | 143,255,000 |
| Retail sales | 33,837,000 | 31,579,000 |
| Intersegment | (14,860,000) | (13,058,000) |
| Total | $ 328,134,000 | $ 306,669,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.73 | — | — |
| 1988 | 0.70 | — | — |
| 1987 | 0.61 | — | — |
| 1986 | 0.59 | — | — |
| 1985 | 0.52 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 149,712,000 | $ 16.09 |
| 1988 | 138,406,000 | 14.95 |
| 1987 | 128,217,000 ‡ | 13.78 |
| 1986 | 116,623,000 ‡ | 12.56 |
| 1985 | 104,990,000 ‡ | 11.34 |

‡ After allowing for preferred stock and Class A preferred stock at liquidation value of $100 per share.

**Income Account ***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 172,782,000 | $ 163,414,000 |
| Service revenues | 155,352,000 | 143,255,000 |
| Total revenues | $ 328,134,000 | $ 306,669,000 |
| Cost of sales | 116,056,000 | 106,520,000 |
| Cost of services | 119,449,000 | 108,501,000 |
| Expenses | 63,260,000 | 59,895,000 |
| Interest expense | 2,783,000 | 1,860,000 |
| Other income | (476,000) | (343,000) |
| Income before taxes | $ 27,062,000 | $ 30,236,000 |
| Income taxes | 10,420,000 | 13,001,000 |
| Net Income | $ 16,642,000 | $ 17,235,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $8,612,000 in 1989 and $7,683,000 in 1988.

**Assets**

| As of | 1989 | 1988 |
|---|---|---|
| Cash | $ 2,457,000 | $ 3,242,000 |
| Receivables | 53,510,000 | 48,918,000 |
| *Inventories | 73,447,000 | 63,348,000 |
| Prepaid expenses | 2,898,000 | 1,760,000 |
| Linens in service | 23,746,000 | 23,311,000 |
| Current Assets | $ 156,058,000 | $ 140,579,000 |
| #Fixed assets | 60,675,000 | 62,707,000 |
| Other assets | 16,150,000 | 13,155,000 |
| Total Assets | $ 232,883,000 | $ 216,441,000 |

**Liabilities**

| | | |
|---|---|---|
| Short-term debt | $ 14,300,000 | $ 9,100,000 |
| Long-term debt & cap. lease oblig., curr. | 2,964,000 | 2,901,000 |
| Accts. payable | 15,594,000 | 15,773,000 |
| Accrued payroll | 5,680,000 | 5,481,000 |
| Accruals | 4,988,000 | 4,789,000 |
| Income taxes | 1,792,000 | 943,000 |
| Deferred inc. taxes | 6,522,000 | 6,353,000 |
| Curr. Liabilities | $ 51,840,000 | $ 45,340,000 |
| Long-term debt & cap. lease oblig. | 19,013,000 | 21,588,000 |
| Deferred compensation | 6,429,000 | 4,661,000 |
| Deferred inc. taxes | 5,889,000 | 6,092,000 |
| +Common stock | 9,343,000 | 9,342,000 |
| Add. paid-in capital | 1,182,000 | 1,172,000 |
| Retained earnings | 139,413,000 | 129,600,000 |
| Translation adjust. | 478,000 | (219,000) |
| Treasury stock | (704,000) | (1,135,000) |
| Total Liabilities & Shareholders' Equity | $ 232,883,000 | $ 216,441,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 15.66 | 9.86 |
| %Net Income to Revenues | 9.63 | 5.62 |
| %Net Income to Equity | 11.12 | 12.42 |
| Debt to Equity | 0.24 | 0.24 |
| Working Capital | $ 104,218,000 | $ 171,101,000 |
| Current Ratio | 3.01 | 4.77 |
| Shareholders' Equity | $ 149,712,000 | $ 138,760,000 |

## Antonovich, Inc.

333 Seventh Avenue
New York, New York 10001
(212) 244-3161

**Officers:** Daniel Antonovich, chairman of the board & chief executive officer; David Antonovich, president & chief operating officer; Melvin Goldstein, executive v.p., chief financial officer & secretary; Jakob Schoer, v.p. & general merchandise manager; Steven B. Graham, v.p. & controller; Barbara Mazur, treasurer.

**Directors:** Daniel Antonovich, chairman of the board; David Antonovich, Melvin Goldstein, Jack Rubin, Gilbert Davids.

**Business Activities:** Operates nine retail stores in the New York City metropolitan area that sell quality fur apparel, primarily women's coats and jackets.

**Transfer Agent(s):**

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** FURSA (NASDAQ)

**Number of Stores:** (at fiscal year end)

1988 . . . . . 9 1987 . . . . . 8

NOTE: Effective March 31, 1987, and pursuant to an agreement and plan of merger, Antonovich, Inc. emerged as the surviving corporation of its merger with Fur Palace Corporation and Fur Palace II Corp. into such corporation.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 32,944,000 | $ (1,706,000) |
| 1987 | 32,227,000 | 988,000 |
| 1986 | 23,047,000 | 851,000 |
| 1985 | 17,987,000 | 263,000 |
| 1984 | 13,869,000 | 456,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,896,160 | $ — |
| 1987 | 2,400,000 | 0.41 |
| 1986+ | 2,400,000 | 0.30 |

+ Pro forma information reflects the results of operations of the Company as if the reorganization of the Company effected in March 1986 had occurred on April 1, 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |
| 1986 | — | — | 9-for-4 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 3,593,645 | $ 1.24 |
| 1987 | 5,223,531 | 2.18 |
| 1986 | 1,096,356 | 0.46 |
| 1985 | 297,156 | — |
| 1984 | 51,182 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended Mar. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 31,173,639 | $ 30,678,648 |
| Other income | 1,770,748 | 1,547,968 |
| Total income | $ 32,944,387 | $ 32,226,616 |
| Cost of sales | 16,548,687 | 16,220,153 |
| Expenses | 11,140,533 | 7,611,195 |
| Interest expense | 1,838,036 | 963,208 |
| Inc. (loss) bef. taxes | $ (2,803,300) | $ 1,608,346 |
| Income taxes (credit) | (1,098,000) | 620,000 |
| Net Income (Loss) | $ (1,705,300) | $ 988,346 |

* Included in Costs and Expenses, Depreciation and Amortization: $608,026 in 1988 and $382,546 in 1987.

**Assets**

| As of Mar. 31 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 278,990 | $ 2,034,999 |
| Due from underwriter | — | 4,451,500 |
| Accts. receiv., net | 1,588,698 | 2,310,482 |
| *Inventories | 15,743,949 | 14,983,572 |
| Prepaid expenses | 1,073,074 | 1,321,214 |
| Recov. inc. taxes | 990,000 | — |
| Current Assets | $ 19,674,711 | $ 25,101,767 |
| #Fixed assets | 5,150,440 | 4,136,099 |
| Other assets | 595,205 | 300,569 |
| Total Assets | $ 25,420,356 | $ 29,538,435 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable-bank | $ 2,000,000 | $ 4,700,000 |
| Notes payable-vendors | 3,973,574 | 10,958,708 |
| Long-term debt, curr. | 1,308,209 | 30,000 |
| Cap. lease oblig., curr. | 372,853 | 228,797 |
| Accts. payable | 2,090,467 | 2,314,416 |
| Cust. deposits | 160,343 | 156,413 |
| Accruals | 3,186,972 | 4,378,659 |
| Income taxes | 100,000 | 554,506 |
| Due to officers | 619,000 | 134,627 |
| Curr. Liabilities | $ 13,811,418 | $ 23,456,126 |
| Due to officers | 1,416,000 | — |
| Long-term debt | 5,584,772 | 370,000 |
| Cap lease oblig. | 1,014,521 | 488,778 |
| +Common stock | 29,000 | 29,000 |
| Add. paid-in capital | 3,657,708 | 3,662,719 |
| Retained earnings | 76,302 | 1,781,802 |
| Notes receivable | (156,865) | (249,990) |
| Treasury stock | (12,500) | — |
| Total Liabilities & Shareholders' Equity | $ 25,420,356 | $ 29,538,435 |

* At lower of cost (specific ident. number).
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 5.24 |
| %Net Income to Sales | — | 3.22 |
| %Net Income to Equity | — | 18.92 |
| Sales to Inventories | 1.98 | 2.05 |
| Debt to Equity | 3.97 | 3.21 |
| Working Capital | $ 5,863,293 | $ 1,645,641 |
| Current Ratio | 1.03 | 1.07 |
| Shareholders' Equity | $ 3,593,645 | $ 5,223,531 |

## Arden Group, Inc.

2020 South Central Avenue
Compton, California 90220
(213) 638-2842

**Officers:** Curtis H. Palmer, chairman of the board; Bernard Briskin, president & chief executive officer; Milton H. Barker, v.p.; Ernest T. Klinger, v.p.-finance & administration & chief financial officer; Brian D. Donnan, controller & asst. secretary; Derek D'Sa, treasurer; Anne Pearson, asst. secretary.

**Directors:** Bernard Briskin*, Chester I. Lappen*, Frederick A. Schnell*, Curtis H. Palmer*, Stuart A. Krieger, Daniel Lembark, Ben Winters.

* Member of the Executive Committee

**Business Activities:** Operates supermarkets in southern California under the names Mayfair and Gelson's. Also distributes communications equipment, and chemicals and equipment for the maintenance of swimming pools.

**Divisions and Subsidiaries:**

**Mayfair Markets**
Operates seven Mayfair supermarkets in southern California.

**Gelson's Markets**
Operates seven Gelson's supermarkets in southern California.

**Telautograph Corporation**
Primarily engaged in the distribution and servicing of communications equipment and supplies which are used for the instantaneous transmission of messages to remote locations. Its GPS Division distributes chemicals and equipment for the maintenance of swimming pools.

**Transfer Agent(s):**

City National Bank
Beverly Hills, California

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** ARDN (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 14 | 1985 | 50 |
| 1987 | 21 | 1984 | 53 |
| 1986 | 28 | | |

**Sales & Earnings**

| | Net Sales | Net Income + |
|---|---|---|
| 1988 | $ 350,156,000 | $ 10,205,000 |
| 1987 | 359,872,000 | 7,375,000 |
| 1986* | 398,834,000 | 4,609,000 |
| 1985 | 415,855,000 | 5,688,000 |
| 1984 | 435,005,000 | 5,239,000 |

| | No. of Com. Shares | Earn. per Share + # |
|---|---|---|
| 1988 | 1,512,724 | $ 6.22 |
| 1987 | 1,512,724 | 3.64 |
| 1986* | 2,085,470 | 1.89 |
| 1985 | 2,342,470 | 2.30 |
| 1984 | 2,342,470 | 2.06 |

* 53 weeks.
+ Including extraordinary gains of $12,000 ($0.01 per share) in 1988, $15,328 ($0.01 per share) in 1985, $331,378 ($0.14 per share) in 1984, and extraordinary loss of $230,000 ($0.12 per share) in 1987.
# Based on the average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.30 | — | |

**Common Stock Equity**

| | Total Equity + | Equity Per Share |
|---|---|---|
| 1988 | $ 27,639,000 | $ 18.27 |
| 1987 | 17,750,000 | 11.73 |
| 1986 | 30,687,000 | 14.71 |
| 1985 | 33,258,000 | 14.20 |
| 1984 | 28,372,000 | 12.11 |

+ After allowing for preferred stock at liquidation value.

**Income Account ***

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 350,156,000 | $ 359,872,440 |
| Cost of sales | 194,095,000 | 207,776,933 |
| Expenses | 135,507,000 | 135,508,152 |
| Interest income | (3,869,000) | (3,475,747) |
| Interest expense | 6,000,000 | 4,694,058 |
| Other expense | 497,000 | 416,902 |
| Income bef. taxes | $ 17,926,000 | $ 14,952,142 |
| Income taxes | 7,733,000 | 7,347,000 |
| Net income | $ 10,193,000 | $ 7,605,142 |
| Extraordinary items | 12,000 | (230,103) |
| Net income & extraord. items | $ 10,205,000 | $ 7,375,039 |

* Included in Costs and Expenses, Depreciation and Amortization: $13,964,000 in 1988 and $15,504,000 in 1987.

**Assets**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 16,936,000 | $ 5,170,193 |
| Accts. & notes receiv., net | 36,149,000 | 30,648,526 |
| *Inventories | 22,734,000 | 34,904,881 |
| Prepaid expenses | 1,210,000 | 1,498,122 |
| Current Assets | $ 77,029,000 | $ 72,221,722 |
| Investments | 1,458,000 | 3,700,505 |
| Notes & contracts receiv. | 12,533,000 | 12,620,488 |
| Prop. for sale | 3,083,000 | 1,942,952 |
| #Fixed assets | 41,967,000 | 43,115,122 |
| Other assets | 3,194,000 | 2,142,091 |
| Total Assets | $ 139,264,000 | $ 135,742,880 |

**Liabilities**

| | | |
|---|---|---|
| Accts payable & accruals | $ 38,879,000 | $ 40,005,684 |
| Long-term debt | 9,655,000 | 2,751,696 |
| Curr. Liabilities | $ 48,534,000 | $ 42,757,380 |
| Long-term debt | 35,362,000 | 43,789,789 |
| Deferred income | 13,372,000 | 14,678,895 |
| Deferred taxes | 1,596,000 | 3,960,241 |
| Other liabilities | 3,028,000 | 3,073,755 |
| +Preferred stock | 2,433,000 | 2,433,225 |
| ++Common stock | 932,000 | 1,161,058 |
| Add. paid-in capital | 15,380,000 | 33,906,089 |
| Notes receiv. - officer | (449,000) | (516,250) |
| Retained earnings | 40,395,000 | 30,496,596 |
| Treasury stock | (21,319,000) | (39,997,898) |
| Total Liabilities & Shareholders' Equity | $ 139,264,000 | $ 135,742,880 |

* At lower of cost (FIFO & average) or market; nonperishable inventories at LIFO.
# Less accumulated depreciation and amortization.
+ $15 par value; $2.25 cumulative.
++ $0.25 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.12 | 4.16 |
| %Net Income to Sales | 2.91 | 2.11 |
| %Net Income to Equity | 27.27 | 27.67 |
| Sales to Inventories | 15.40 | 10.31 |
| Debt to Equity | 1.20 | 1.69 |
| Working Capital | $ 28,495,000 | $ 29,464,342 |
| Current Ratio | 1.59 | 1.69 |
| Shareholders' Equity | $ 37,372,000 | $ 27,482,820 |

## J. Baker, Inc.

65 Sprague Street
Readville, Massachusetts 02137
(617) 364-3000

**Officers:** Sherman N. Baker, chairman of the board & chief executive officer; Jerry M. Socol, president; Paul P. Douillette, sr. exec. v.p. & general merchandise mgr.; Lawrence B. Geller, sr. exec. v.p. & dir.-store operations; Alan I. Weinstein, sr. exec. v.p., chief financial and admin. officer, treasurer & secretary; Alvin Dubin, exec. v.p. & gen. mgr.-Parade of Shoes; Philip G. Rosenberg, exec. v.p., corp. controller, asst. treasurer & asst. secretary; Richard Deroia, first sr. v.p. & asst. dir.-store operations; Robert J. Schoen, first sr. v.p.-real estate; Lewis Strassberg, first sr. v.p.-management information systems; Sidney Volin, first sr. v.p. & asst. general merchandise mgr.; Peter Armington, sr. v.p.-advertising; Marcia McCullough, sr. v.p. & merchandise mgr.; Thomas Grundig, sr. v.p.-store operations; Ronald Harvell, sr. v.p.-store operations; Virginia Pitts, sr. v.p.-human resources; Kenneth Asaad, v.p.-warehousing; Raymond Deroia, v.p.-store operations; Brian Eddy, v.p. & merchandise mgr.; David Mileto, v.p.-store operations; Jay Scheiner, v.p. & dir.-budgets and inventory control; Richard Volpe, v.p. & merchandise mgr.; Elizabeth C. White, v.p.-finance & asst. secretary; Laura R. daSilva, v.p.-finance.

**Directors:** Sherman N. Baker, chairman; David R. Albin, J. Christopher Clifford, Ervin D. Cruce, Thomas H. Lee, Stanley Simon, Jerry M. Socol.

**Business Activities:** Operates 602 licensed shoe departments in 21 states, 100 Parade of Shoes women's retail shoe stores primarily in the Northeast, and engages in the wholesale distribution of shoes.

**Acquisitions:**

Spencer Companies, Inc.
450 Summer Street
Boston, Massachusetts 02210
(617) 542-8120
Operates 194 leased shoe departments in discount department stores in the central and eastern states.

**Transfer Agent(s):**

Fleet National Bank
Providence, Rhode Island

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** JBAK (NASDAQ)

**Number of Stores:** (at fiscal year-end)

| | Licensed Shoe Departments | Shoe Stores |
|---|---|---|
| 1989* | 602 | 100 |
| 1988 | 558 | 81 |
| 1987 | 508 | 51 |

* Does not include stores acquired in the acquisition of Spencer Companies, Inc., which occurred subsequent to fiscal year-end.

**Sales & Earnings**

| | Net Sales | Net Income + |
|---|---|---|
| 1988 | $ 249,524,717 | $ 8,137,750 |
| 1987 | 200,680,008 | 7,465,510 |
| 1986 | 165,796,480 | 7,974,442 |
| 1985† | 70,627,425 | (3,471,714) |

| | No. of Com. Shares ‡ | Earn. per Share +‡ |
|---|---|---|
| 1988 | 8,165,409 | $ 1.00 |
| 1987 | 9,254,475 | 0.81 |
| 1986 | 8,611,559 | 0.93 |
| 1985† | 6,840,000 | — |

(Loss)
† 29 weeks.
+ Including extraordinary gain of $1,596,000 ($0.19 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 37,410,441 | $ 4.58 |
| 1987 | 29,789,356 | 3.22 |
| 1986 | 33,780,516 | 3.92 |
| 1985 | 528,286 | 0.08 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 249,524,717 | $ 200,680,008 |
| Cost of sales | 158,661,785 | 122,516,484 |
| Expenses | 71,266,701 | 60,316,325 |
| Depreciation & amortization | 3,375,697 | 2,953,329 |
| Interest expense | 3,341,878 | 1,673,511 |
| Interest income | (63,894) | (81,151) |
| Income before taxes | $ 12,942,750 | $ 13,301,510 |

| | | |
|---|---|---|
| Income taxes | 4,805,000 | 5,836,000 |
| Net Income | $ 8,137,750 | $ 7,465,510 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 1,052,588 | $ 1,413,705 |
| Accts. receiv., net | 7,243,635 | 7,732,398 |
| * Inventories | 78,686,941 | 62,291,110 |
| Prepaid expenses | 1,688,773 | 1,176,549 |
| Current Assets | $ 88,671,937 | $ 72,613,762 |
| # Fixed assets | 18,147,619 | 14,383,894 |
| Prop. held under cap. leases | 111,059 | 230,972 |
| Other assets | 4,037,483 | 3,695,121 |
| Total Assets | $ 110,968,098 | $ 90,923,749 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,200,000 | $ 1,680,000 |
| Cap. lease oblig., curr. | 144,060 | 136,203 |
| Accts. payable | 47,014,907 | 34,556,017 |
| Accrued payroll | 1,169,358 | 1,146,129 |
| Accrued interest | 352,493 | 226,822 |
| Other accruals | 1,329,135 | 905,558 |
| Income taxes | 1,019,700 | 1,591,271 |
| Other taxes | 246,794 | 210,967 |
| Curr. Liabilities | $ 52,476,447 | $ 40,452,967 |
| Long-term debt | 19,650,000 | 19,520,000 |
| Cap. lease oblig. | — | 144,060 |
| Deferred inc. taxes | 946,000 | 482,000 |
| Other liabilities | 485,210 | 535,366 |
| + Common stock | 4,097,145 | 4,949,058 |
| Add. paid-in capital | 14,253,330 | 24,546,033 |
| Retained earnings | 19,059,966 | 11,412,400 |
| Treasury stock | — | (11,118,135) |
| Total Liabilities & Shareholders' Equity | $ 110,968,098 | $ 90,923,749 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.19 | 6.63 |
| %Net Income to Sales | 3.26 | 3.72 |
| %Net Income to Equity | 21.75 | 25.06 |
| Sales to Inventories | 3.17 | 3.22 |
| Debt to Equity | 0.56 | 0.72 |
| Working Capital | $ 36,195,490 | $ 32,160,795 |
| Current Ratio | 1.69 | 1.80 |
| Shareholders' Equity | $ 37,410,441 | $ 29,789,356 |

## The Banker's Note, Inc.

4900 Highlands Parkway
Smyrna, Georgia 30082
(404) 432-0636

**Officers:** Martin S. Suchik, chairman of the board, president & chief executive officer; Harold D. Cannon, v.p.-operations & secretary; Thomas J. Thirkell, chief financial officer & treasurer; James H. Stancil, v.p.-stores.

**Directors:** Martin S. Suchik, chairman; Harold D. Cannon, Jerry L. Barton, Walter S. Segaloff, S. K. Chow, Kenneth L. Bernhardt.

**Business Activities:** Operates 68 ladies' apparel specialty stores under the names The Banker's Note (66) and Brenda Allen's (2), in nine southern states. These stores carry broad lines of moderate to better-priced ladies' apparel ranging in price from $20 to $100. Although the Company emphasizes the sale of brand-name fashions, it also designs and has manufactured a significant amount of private label goods sold in its stores.

**Transfer Agent(s):**

The Citizens and Southern National Bank
33 North Avenue
Atlanta, Georgia 30348

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** BKNT (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 68 | 1987 | 75 |
| 1988 | 66 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 36,712,000 | $ 679,000 |
| 1988 | 39,855,000 | (1,482,000) |
| 1987 | 34,585,000 | 1,374,000 |
| 1986 | 24,279,000 | 1,228,000 |
| 1985 | 20,719,000 | 299,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 3,222,000 | $ 0.21 |
| 1988 | 3,218,000 | — |
| 1987 | 3,426,000 | 0.40 |
| 1986 | 2,853,000 | 0.43 |
| 1985 | 2,876,000 | 0.11 |

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 7,023,000 | $ 2.18 |
| 1988 | 6,353,000 | 1.97 |
| 1987 | 8,353,000 | 2.44 |
| 1986 | 6,660,000 | 2.33 |
| 1985 | 3,997,000 | 1.39 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 36,712,000 | $ 39,855,000 |
| Cost of sales | 25,351,000 | 30,065,000 |
| Expenses | 9,908,000 | 11,704,000 |
| Depreciation & amortization | 616,000 | 871,000 |
| Interest expense | 6,000 | 41,000 |
| Interest income | (401,000) | (407,000) |
| Store clos. costs | 125,000 | 256,000 |
| Income (loss) before taxes | $ 1,107,000 | $ (2,675,000) |
| Income taxes (credit) | 428,000 | (1,193,000) |
| Net Income | 679,000 | $ (1,482,000) |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & short-term invest. | $ 3,168,000 | $ 807,000 |
| Accts. receiv., net | 325,000 | 238,000 |
| Notes receiv. - shareholders | — | 121,000 |
| Refundable taxes | — | 1,488,000 |
| *Inventories | 4,588,000 | 5,031,000 |
| Prepaid expenses | 202,000 | 180,000 |
| Current Assets | $ 8,504,000 | $ 7,865,000 |
| #Fixed assets | 2,066,000 | 2,051,000 |
| Other assets | 75,000 | 79,000 |
| Total Assets | $ 10,645,000 | $ 9,995,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ — | $ 187,000 |
| Accts. payable | 1,902,000 | 2,073,000 |
| Accruals | 734,000 | 503,000 |
| Accrued payroll | 208,000 | 257,000 |
| Customer credits | 89,000 | 102,000 |
| Income taxes | 187,000 | — |
| Curr. Liabilities | $ 3,120,000 | $ 3,122,000 |
| Deferred inc. taxes | 502,000 | 537,000 |
| +Common stock | 42,000 | 41,000 |
| Add. paid-in capital | 3,959,000 | 3,856,000 |
| Retained earnings | 4,464,000 | 3,785,000 |
| Treasury stock | (1,335,000) | (1,329,000) |
| Stock subscrip. receiv. | (107,000) | (17,000) |
| Total Liabilities & Shareholders' Equity | $ 10,645,000 | $ 9,995,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amoritization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income before Taxes to Sales | 3.02 | — |
| %Net Income to Sales | 1.85 | — |
| %Net Income to Equity | 9.67 | — |
| Sales to Inventories | 8.00 | 7.92 |
| Debt to Equity | — | 0.03 |
| Working Capital | $ 5,384,000 | $ 4,318,000 |
| Current Ratio | 2.73 | 2.38 |
| Shareholders' Equity | $ 7,023,000 | $ 6,353,000 |

## BATUS Inc.

2000 Citizens Plaza
Louisville, Kentucky 40202
(502) 581-8000

BATUS Inc. is a wholly owned subsidiary of B.A.T. Industries p.l.c. of London, England.

**Officers:** Patrick Sheehy, chairman; Henry F. Frigon, president & chief exec. officer; Leonard W. Arentsen, exec. v.p.; Carl J. Heger, sr. v.p. & chief financial officer; A. C. Martinez, sr. v.p.; R. W. Tyler, v.p. & controller; W. W. Wyatt, Jr., v.p.-corp-affairs & government relations; Tony G. Hall, v.p.-human resources; David A. Schechter, v.p. & general counsel; Leonard E. Lyles, v.p.-minority affairs; David H. Roe, v.p. & treasurer; Robert H. Sachs, v.p. & secretary; S. Michael Porvaznik, v.p.-corp. strategic planning.

**Directors:** Patrick Sheehy, chairman; Henry F. Frigon, Leonard W. Arentsen, R. J. Pritchard, A. C. Martinez, Carl J. Heger, Gordon Bond, Leo E. Denlea, Jr..

**Business Activities:** Organized in four industrial segments -- Tobacco, Retail, Paper, and Financial Services. Brown & Williamson Tobacco Corporation manufactures cigarettes, including Barclay, Kool, Lucky Strike, Raleigh and Viceroy. Appleton Papers, Inc. produces carbonless and thermal paper and colored enamels. The Farmers Group, Inc. provides insurance services. Retail operations are as listed below.

**Retail Divisions:**

Saks Fifth Avenue
12 East 49th Street
New York, New York 10022
(212) 753-4000
Operates 45 fashion specialty stores in 20 states.

Breuner's
3201 Fostoria Way
San Ramon, California 94583
(415) 866-4437
Operates 17 quality home furnishing stores and 44 furniture rental stores in Arizona, California and Nevada.

Ivey's
127 North Tryon Street
Charlotte, North Carolina 28202
(704) 372-3511
Operates 23 department stores in North and South Carolina and Florida.

Marshall Field's & Company
111 North State Street
Chicago, Illinois 60690
(312) 781-1000
Operates 23 department stores in Illinois, Wisconsin and Texas.

**Number of Stores:** (at fiscal year end)

| | Department Stores | Special Stores |
|---|---|---|
| 1988 | 46 | 20 |
| 1987 | 49 | 101 |
| 1986 | 50 | 90 |
| 1985 | 45 | 72 |
| 1984 | 134 | 56 |

| | Furnishing Stores |
|---|---|
| 1988 | 61 |
| 1987 | 57 |
| 1986 | 57 |
| 1985 | 59 |
| 1984 | 57 |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1988 | $ 6,250,517,000 | $ 535,338,000 |
| 1987 | 5,834,501,000 | 466,203,000 |
| 1986 | 5,499,452,000 | 393,663,000 |
| 1985 | 5,086,902,000 | 163,532,000 |
| 1984 | 4,876,023,000 | 313,523,000 |

+ Of continuing operations only.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Tobacco | $ 2,763,114 | $ 2,486,553 |
| Retailing | 2,643,327 | 2,568,636 |
| Paper | 844,076 | 779,312 |
| Total | $ 6,250,517 | $ 5,834,501 |

**Income Account ***
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 6,250,517 | $ 5,834,501 |
| Cost of sales | 3,345,357 | 3,171,475 |
| Fed. excise taxes | 480,200 | 494,668 |
| Expenses | 1,469,285 | 1,263,701 |
| Interest expenses | 58,400 | 88,194 |
| Income before taxes | $ 897,275 | $ 816,463 |
| Income taxes | 361,937 | 350,260 |
| Net Income | $ 535,338 | $ 466,203 |

* Included in Costs and Expenses, Depreciation and Amortization: $186,710,000 in 1988 and $175,622,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 53,146 | $ 7,126 |
| Short-term invest. | 424,608 | 1,188,538 |
| Accts. receiv., net | 209,519 | 323,975 |
| *Inventories | 874,326 | 787,571 |
| Other curr. assets | 124,271 | 111,811 |
| Current Assets | $ 1,685,870 | $ 2,419,021 |
| #Fixed assets | 1,974,762 | 1,509,631 |
| Investments | 1,835,490 | — |
| Intangibles | 2,622,336 | 239,066 |
| Other assets | 3,372,969 | 470,438 |
| Total Assets | $ 11,491,427 | $ 4,638,176 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 8,458 | $ 6,577 |
| Accts. payable | 401,578 | 347,701 |
| Accruals | 632,442 | 481,840 |
| Due to affil. co. | 281,793 | 29,035 |
| Income taxes payable | 289,011 | 269,294 |
| Curr. Liabilities | $ 1,613,282 | $ 1,134,447 |
| Long-term debt | 4,109,025 | 910,529 |
| Other liab. | 3,513,497 | 747,915 |
| +Common stock | 1 | 1 |
| Add. paid-in capital | 73,252 | 73,252 |
| Retained earnings | 2,182,370 | 1,772,032 |
| Total Liabilites & Shareholders' Equity | $ 11,491,427 | $ 4,638,176 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 14.36 | 13.99 |
| %Net Income to Sales | 8.56 | 7.99 |
| %Net Income to Equity | 23.73 | 25.26 |
| Sales to Inventories | 7.15 | 7.41 |
| Debt to Equity | 1.83 | 0.50 |
| Working Capital | $ 72,588,000 | $ 1,284,574,000 |
| Current Ratio | 1.04 | 2.13 |
| Shareholders' Equity | $ 2,255,623,000 | $ 1,845,285,000 |

## The Becker Milk Company Limited

671 Warden Avenue
Scarborough, Ontario M1L 3Z7, Canada
(416) 698-2591

**Officers:** Frank A. Bazos, chairman of the board; Geoffrey W. J. Pottow, president; Robert Bazos, vice chairman; George Panos, vice chairman; Arvi Magi, exec. v.p., treasurer & secretary; Harold Keene, v.p.; Lorne Smith, v.p..

**Directors:** Frank A. Bazos, chairman; Robert W. Lowe, Robert Bazos, E. S. Miles, George Panos, Geoffrey W. J. Pottow, Arvi Magi, R. S. Paddon.

**Business Activities:** Operates a chain of dairy and convenience stores throughout Ontario. Also engaged in the business of processing milk and dairy products.

**Divisions and Subsidiaries:**

Scarborough Fair Convenience Stores Limited

Shaw's Ice Cream Limited
St. Thomas, Ontario, Canada
Manufactures ice cream products.

Shaw's Dairy Stores Limited
St. Thomas, Ontario, Canada
Operates 35 Shaw's Dairy Stores.

**Transfer Agent(s):**

The Royal Trust Company
Toronto, Ontario, Canada
Montreal, Quebec, Canada

**Stock Exchange(s):** Toronto

**Ticker Symbol:** BEKQ

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 778 | 1985 | 681 |
| 1987 | 743 | 1984 | 653 |
| 1986 | 692 | | |

**Sales & Earnings**

| | Net Sales | Net Income ‡ |
|---|---|---|
| 1988 | $ 379,497,098 | $ 4,836,634 |
| 1987 | 336,889,960 | 4,948,500 |
| 1986 | 312,958,537 | 5,550,560 |
| 1985 | 283,084,979 | 6,699,151 |
| 1984 | 257,226,204 | 5,676,774 |

| | No. of Com. Shares # | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 1,728,360 | $ 2.78 |
| 1987 | 1,728,360 | 2.84 |
| 1986 | 1,728,360 | 3.19 |
| 1985 | 1,728,360 | 3.86 |
| 1984 | 1,728,360 | 3.26 |

‡ Including extraordinary gain of $582,000 ($0.34 per share) in 1985.
# Based on common shares and Class B shares combined.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.75 | — | — |
| 1987 | 0.75 | — | |
| 1986 | 1.18 | — | — |
| 1985 | 0.60 | — | — |
| 1984 | 0.60 | — | — |

**Common Stock Equity**

| | Total Equity † | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 53,775,432 | $ 31.11 |
| 1987 | 50,321,522 | 29.12 |
| 1986 | 46,703,342 | 27.02 |
| 1985 | 43,217,655 | 25.01 |
| 1984 | 37,589,570 | 21.75 |

† After allowing for Class A preference stock at par value.
‡ Based on common shares and Class B shares combined.

**Income Account**

| Year ended April 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 379,497,098 | $ 336,889,960 |
| Cost of sales & expenses | 360,343,292 | 319,280,084 |
| Depreciation & amortization | 7,640,502 | 5,974,102 |
| Interest expense | 1,310,902 | 1,174,174 |
| Income before taxes | $ 10,202,402 | $ 10,461,600 |
| Income taxes | 5,365,768 | 5,513,100 |
| Net Income | $ 4,836,634 | $ 4,948,500 |

**Assets**

| As of April 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 87,095 | $ 77,707 |
| Accts. receiv., net | 4,050,285 | 3,214,069 |
| *Inventories | 32,634,856 | 31,239,002 |
| Income tax refund | 1,048,938 | 781,601 |
| Prepaid expenses | 1,194,964 | 1,748,095 |
| Investments, curr. | 169,672 | 39,535 |
| Current Assets | $ 39,185,810 | $ 37,100,009 |
| Investments | 178,414 | 221,104 |
| #Fixed assets | 75,229,778 | 61,534,495 |
| Other assets | 2,606,531 | 1,532,804 |
| Total Assets | $ 117,200,533 | $ 100,388,412 |

## The Becker Milk Company Limited

**Liabilities**

| | | |
|---|---|---|
| Bank indebtedness | $ 15,017,711 | $ 9,667,242 |
| Accts. payable & accruals | 25,185,535 | 21,492,294 |
| Dividends payable | 648,135 | 648,135 |
| Long-term debt, curr. | 1,009,809 | 779,676 |
| Minority interest | — | 888,000 |
| Curr. Liabilities | $ 41,861,190 | $ 33,475,347 |
| Bank loan | 16,850,000 | 12,225,000 |
| Long-term debt: | | |
| Deferred franchise income | 213,883 | 192,991 |
| Mortg. payable | 2,087,013 | 1,890,086 |
| Other debt | 721,200 | 561,830 |
| Less curr. portion | (1,009,809) | (779,676) |
| Deferred inc. taxes | 1,135,124 | 1,045,812 |
| Minority interest | 999,000 | 888,000 |
| +Class A preferred stock | 567,500 | 567,500 |
| ++Class B special stock | 916,955 | 916,955 |
| +++Common stock | 288 | 288 |
| Retained earnings | 52,858,189 | 49,404,279 |
| Total Liabilities & Shareholders' Equity | $ 117,200,533 | $ 100,388,412 |

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $100 par value; 6% cumulative.
++ No par value; non-voting, non-cumulative.
+++ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.69 | 3.11 |
| %Net Income to Sales | 1.27 | 1.47 |
| %Net Income to Equity | 8.90 | 9.72 |
| Sales to Inventories | 11.63 | 10.78 |
| Debt to Equity | 0.64 | 0.48 |
| Working Capital | — | $ 3,624,662 |
| Current Ratio | — | 1.11 |
| Shareholders' Equity | $ 54,342,932 | $ 50,889,022 |

## W. Bell & Co., Inc.

12401 Twinbrook Parkway
Rockville, Maryland 20852
(301) 881-2000

**Officers:** Walter Bell, chairman of the board & president; Bernard M. Blum, exec. v.p.; Fredric J. Bell, sr. v.p.; Desmond J. Karmolinski, v.p.-marketing; Warren E. Lawhon, v.p.-advertising & catalog production; Dorothy Bell, secretary; Martin Pfeifer, v.p.-finance, treasurer; Larry McPherson, v.p.-corp. systems; Thomas E. Tatum, v.p.-branch operations; Michael O. Kraft, v.p.-merchandising.

**Directors:** Walter Bell, chairman; Bernard M. Blum, Fredric J. Bell, Dorothy Bell, Martin Pfeifer.

**Business Activities:** Operates a chain of 18 showrooms/warehouses selling gift merchandise; also conducts catalog sales. Showrooms are located in the Washington D.C.; Baltimore, Maryland; and Chicago, Illinois, metropolitan areas.

**Transfer Agent(s):**

Maryland National Bank
Baltimore, Maryland

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** BLLW (NASDAQ)

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1988 | 18 | 1985 | 21 |
| 1987 | 17 | 1984 | 18 |
| 1986 | 22 | | |

**Sales & Earnings**

| | Net Sales | Net Income # |
|---|---|---|
| 1989* | $ 79,293,000 | $ 2,234,000 |
| 1988 | 117,782,000 | 1,165,000 |
| 1987 | 129,828,000 | (8,074,000) |
| 1986 | 143,356,000 | (2,161,000) |
| 1985 | 148,156,000 | 1,518,000 |

| | No. of Com. Shares ‡ | Earn. per Share #‡ |
|---|---|---|
| 1989 | 3,077,978 | $ 0.73 |
| 1988 | 3,060,755 | 0.38 |
| 1987 | 3,048,654 | — |
| 1986 | 3,051,758 | — |
| 1985 | 3,029,870 | 0.50 |

(Loss)
* 7 months.
# Including extraordinary gains of $665,000 ($0.22 per share) in 1989 and $459,000 ($0.15 per share) in 1988.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | — |
| 1986 | — | — | — |
| 1985 | — | 10% | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 21,428,000 | $ 6.96 |
| 1988 | 19,195,000 | 6.27 |
| 1987 | 18,034,000 | 5.92 |
| 1986 | 26,188,000 | 8.58 |
| 1985 | 28,597,000 | 9.44 |

‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

**Income Account**

| Year ended | 1/28/89 (7 months) | 6/25/88 |
|---|---|---|
| Net sales | $ 79,293,000 | $ 117,782,000 |
| Cost of sales | 61,226,000 | 95,496,000 |
| Expenses | 13,816,000 | 18,309,000 |
| Depreciation & amortization | 1,000,000 | 1,895,000 |
| Interest expense | 642,000 | 906,000 |
| Income before taxes | $ 2,609,000 | $ 1,176,000 |
| Income taxes | 1,040,000 | 470,000 |
| Net Income | $ 1,569,000 | $ 706,000 |
| Extraord. gain | 665,000 | 459,000 |
| Net Income & extraord. gain | $ 2,234,000 | $ 1,165,000 |

**Assets**

| As of | 1/28/89 | 6/25/88 |
|---|---|---|
| Cash | $ 5,514,000 | $ 1,170,000 |
| Short-term invest. | — | 500,000 |
| Accts. receiv., net | 131,000 | 115,000 |
| Income taxes | 39,000 | 49,000 |
| *Inventories | 32,229,000 | 22,199,000 |
| Other curr. assets | 2,090,000 | 1,856,000 |
| Current Assets | $ 40,003,000 | $ 25,889,000 |
| #Fixed assets | 12,509,000 | 13,348,000 |
| Other assets | 101,000 | 121,000 |
| Total Assets | $ 52,613,000 | $ 39,358,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 27,000 | $ 1,027,000 |
| Accts. payable | 15,700,000 | 10,409,000 |
| Other curr. liab. | 3,044,000 | 3,016,000 |
| Reserve for store closing | 530,000 | 1,240,000 |
| Curr. Liabilities | $ 19,301,000 | $ 15,692,000 |
| Long-term debt | 11,754,000 | 4,471,000 |
| Deferred inc. taxes | 130,000 | — |
| +Common stock | 309,000 | 309,000 |
| Add. paid-in capital | 19,091,000 | 19,091,000 |
| Retained earnings (deficit) | 2,127,000 | (107,000) |
| Treasury stock | (99,000) | (98,000) |
| Total Liabilities & Shareholders' Equity | $ 52,613,000 | $ 39,358,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.29 | 1.00 |
| %Net Income to Sales | 1.98 | 0.60 |
| %Net Income to Equity | 7.32 | 3.68 |
| Sales to Inventories | 2.46 | 5.31 |
| Debt to Equity | 0.55 | 0.29 |
| Working Capital | $ 20,702,000 | $ 10,197,000 |
| Current Ratio | 2.07 | 1.65 |
| Shareholders' Equity | $ 21,428,000 | $ 19,195,000 |

## Berkshire Hathaway Inc.

1440 Kiewit Plaza
Omaha, Nebraska 68131
(402) 346-1400

**Officers:** Warren E. Buffett, chairman of the board & chief executive officer; Charles T. Munger, vice chairman; Robert H. Bird, v.p.; J. William Scott, v.p.; Michael A. Goldberg, v.p.; J. Verne McKenzie, v.p. & secretary; Stanford Lipsey, v.p.; Marc D. Hamburg, treasurer; Daniel J. Jaksich, controller.

**Directors:** Warren E. Buffett, chairman; Charles T. Munger, Kenneth V. Chace, Malcom G. Chace, Jr., J. Verne McKenzie, Walter Scott, Jr..

**Business Activities:** Operates Nebraska Furniture Mart, Inc., a large home furnishings retail store located in Omaha, Nebraska; Borsheim's, a large retail jewelry store also in Omaha, Nebraska; and See's Candy Shops, Inc., a chain of over 200 retail candy shops in the West and Midwest. Also, through subsidiaries, the company is engaged in the underwriting of property and casualty insurance, the trading stamps business, the newspaper business, the manufacture and marketing of vacuum cleaners and related accessories, the marketing of educational books, and the manufacture and marketing of uniforms.

**Divisions and Subsidiaries:**

National Indemnity Company
3024 Harney Street
Omaha, Nebraska 68131

National Fire and Marine Insurance Co.
3024 Harney Street
Omaha, Nebraska 68131

Columbia Insurance Company
3024 Harney Street
Omaha, Nebraska 68131

Cornhuaker Casualty Co.
3035 Harney Street
Omaha, Nebraska 68131

Kansas Fire & Casualty Co.
Topeka, Kansas

Continental Divide Insurance Co.
Inglewood, Colorado

Lakeland Fire and Casualty Co.
6700 France Avenue South
Minneapolis, Minnesota 55435

Insurance Co. of Iowa
1228-8th Street
West Des Moines, Iowa 50265

Texas United Insurance Co.
1802 N E Loop 410
San Antonio, Texas 78217

Home and Automobile Insurance Co.
209 West Jackson Boulevard
Chicago, Illinois 60606

Cypress Insurance Company
Pasadena, California

See's Candy Shops, Inc.
Operates over 200 retail stores in twelve western and midwestern states, offering boxed chocolates and other confectionary items that it manufactures.

Wesco Financial Corporation (80.1% owned)
315 E. Colorado Boulevard
Pasadena, California 91109

Illinois National Bank & Trust Co. of Rockford (98% owned)
228 Main Street
Rockford, Illinois 61101

Sun Newspapers, Inc.
900 S. 74 Plaza, Suite 400
Omaha, Nebraska 68114

Blue Chip Stamps
5801 South Eastern Avenue
Los Angeles, California 90040

Precision Steel Warehouse, Inc. (80% owned)
Franklin Park, Illinois

Nebraska Furniture Mart (90% owned)
Omaha, Nebraska
Operates a discount furniture store in Omaha, Nebraska.

Borsheim's
Omaha, Nebraska
Operates a large jewelry store in Omaha, Nebraska.

The Scott & Fetzer Company
Westlake, Ohio

The Fechheimer Brothers Company (84% owned)
Cincinnati, Ohio

**Transfer Agent(s):**

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

**Stock Exchange(s):** New York

**Ticker Symbol:** BRK

**Sales & Earnings**

| | Revenues ‡ | Net Income |
|---|---|---|
| 1988 | $2,333,222,000 | $ 399,270,000 |
| 1987 | 2,402,944,000 | 234,552,000 |
| 1986 | 2,231,444,000 | 282,361,000 |
| 1985 | 968,583,000 | 435,815,000 |
| 1984 | 747,252,000 | 148,895,000 |

| | No. of Com. Shares | Earn. per Share + |
|---|---|---|
| 1988 | 1,146,000 | $ 348.23 |
| 1987 | 1,147,000 | 204.51 |
| 1986 | 1,147,000 | 246.19 |
| 1985 | 1,147,000 | 379.99 |
| 1984 | 1,147,000 | 129.82 |

‡ Revenues include insurance premiums, sales and service revenues, and interest and dividend income.
+ Based on the average number of shares outstanding.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Insurance | $ 816,142 | $ 977,890 |
| Candy | 168,166 | 157,391 |
| Retailing of home furn. | 152,541 | 145,997 |
| Newspaper | 131,664 | 122,955 |
| Encyclopedias | 337,990 | 325,772 |
| Home cleaning prods. | 144,145 | 129,678 |
| Uniform mfg. & distr. | 92,514 | 74,734 |
| Other | 490,060 | 468,527 |
| Total | $ 2,333,222 | $ 2,402,944 |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 3,410,108,000 | $ 2,975.66 |
| 1987 | 2,841,659,000 | 2,477.47 |
| 1986 | 2,377,797,000 | 2,073.06 |
| 1985 | 1,885,330,000 | 1,643.71 |
| 1984 | 1,271,761,000 | 1,108.77 |

**Income Account ***
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Sales & service rev. | $ 1,407,642 | $ 1,326,829 |
| Insurance prem. earned | 584,235 | 824,895 |
| Int. & dividend income | 314,251 | 237,319 |
| Other income | 27,094 | 13,901 |
| Revenues | $ 2,333,222 | $ 2,402,944 |
| Cost of prods. & serv. sold | 753,845 | 705,203 |
| Expenses | 495,331 | 488,307 |
| Insurance losses | 437,695 | 661,146 |
| Insurance underwriting expenses | 157,621 | 219,178 |
| Interest expense | 70,280 | 47,437 |
| Income before taxes | $ 418,450 | $ 281,673 |
| Income taxes | 96,599 | 60,771 |
| Minority interest | 8,410 | 6,156 |
| Real. invest. gain | (85,829) | (19,806) |
| Net income | $ 399,270 | $ 234,552 |

* Included in Costs and Expenses, Depreciation and Amortization: $29,808,000 in 1988 and $29,683,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 256,081 | $ 231,962 |
| Accts. receiv., net | 579,910 | 577,949 |
| Investments | 5,374,045 | 4,434,090 |
| *Inventories | 167,293 | 154,288 |
| #Fixed assets | 194,390 | 202,459 |
| Other assets | 114,735 | 138,292 |
| Goodwill | 121,394 | 124,195 |
| Total Assets | $ 6,816,848 | $ 5,863,235 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt | $ 480,009 | $ 289,886 |
| Losses & loss adj. expenses | 1,407,189 | 1,260,422 |
| Unearned premiums | 241,818 | 341,344 |
| Savings accounts | 286,909 | 286,211 |
| Accts. payable, accruals and other liab. | 325,514 | 280,088 |
| Income taxes | 598,905 | 506,499 |
| Min. shareholders' int. | 66,396 | 57,126 |
| +Common stock | 6,876 | 6,876 |
| Add. paid-in capital | 157,377 | 157,377 |
| Apprec. of eq. securities | 1,274,657 | 1,104,123 |
| Retained earnings | 2,013,491 | 1,614,221 |
| Treasury stock | (42,293) | (40,938) |
| Total Liabilities & Shareholders' Equity | $ 6,816,848 | $ 5,863,235 |

* At lower of cost (primarily LIFO) or market. Remainder at FIFO or average.
# Less accumulated depreciation and amortization.
+ $5 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 17.93 | 11.72 |
| %Net Income to Revenues | 17.11 | 9.76 |
| %Net Income to Equity | 11.71 | 8.25 |
| Debt to Equity | 0.14 | 0.10 |
| Shareholders' Equity | $ 3,410,108,000 | $ 2,841,659,000 |

## Best Products Co., Inc.

Parham Road At I-95
Richmond, Virginia 23227
(804) 261-2000

Mailing address:
P.O. Box 26303
Richmond, Virginia 23260

(The Company was acquired by BAC Holdings Group, Inc., on March 3, 1989.)

**Officers:** Jerry E. Goldress, chairman, president & chief exec. officer; Norman S. Matthews, vice chairman; Frances A. Lewis, exec. v.p.; Mark B. Hacken, sr. v.p.; J. Lee Hawks, sr. v.p.-operations; Robert A. Kendig, sr. v.p.-merchandising; Fred A. Wollenberg, sr. v.p.-planning & marketing; John Penn, sr. v.p.-real estate & administration; Sydney Lewis, chairman-exec. committee; Kevin M. McNamara, v.p.-finance; Richard M. Cross, v.p. & treasurer; Michael G. Fisch, v.p.; Kevin S. Penn, v.p..

**Directors:** Jerry E. Goldress, chairman; Norman S. Matthews, Robert L. Burrus, Sydney Lewis, Frances Lewis, Frank S. Royal, John W. Snow, Leonard P. Shaykin, Michael G. Fisch, Kevin S. Penn.

**Business Activities:** Sells jewelry and nationally advertised brand-name merchandise through 194 catalog showrooms in 27 states under the name "Best" and operates a 36-store jewerly store chain, "Best Jewelry," in nine states and the District of Columbia.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 230 | 1986 | 257 |
| 1988 | 216 | 1985 | 244 |
| 1987 | 205 | | |

NOTE: Approximately 97% of the common stock of Best Products Co., Inc. was purchased on November 8, 1988 by a subsidiary of BAC Holdings Group, Inc. As a consequence of this change of control, the Company is deemed for financial reporting purposes to have become a new reporting entity on that date.

# Best Products Co., Inc.

### Sales & Earnings

| | Net Sales | Net Income † |
|---|---|---|
| 1/28/89* | $ 809,457,000 | $ 39,297,000 |
| 1/30/88 | 2,066,589,000 | 30,527,000 |
| 1/31/87 | 2,142,118,000 | (25,593,000) |
| 2/1/86 | 2,234,768,000 | 2,223,000 |
| 2/2/85 | 2,252,656,000 | 13,609,000 |

| | No. of Com. Shares # | Earn. Per Share †# |
|---|---|---|
| 1/28/89* | 24,951,000 | $ 1.57 |
| 1/30/88 | 26,698,000 | 1.14 |
| 1/31/87 | 26,984,000 | — |
| 2/1/86 | 26,936,000 | 0.08 |
| 2/2/85 | 27,086,000 | 0.50 |

(Loss)
* 11 weeks.
† Including extraordinary gain of $5,494,000 ($0.20 per share) in 1988 and extraordinary loss of $2,600,000 in 1987.
# Based on the weighted average number of common shares outstanding.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1/28/89 | $ — | — | — |
| 1/30/88 | — | — | |
| 1/31/87 | 0.12 | — | — |
| 2/1/86 | 0.24 | — | — |
| 2/2/85 | 0.24 | — | — |

### Common Stock Equity

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1/28/89 | $ 89,293,000 | $ 3.58 |
| 1/30/88 | 402,536,000 ‡ | 15.08 |
| 1/31/87 | 386,790,000 ‡ | 14.33 |
| 2/1/86 | 415,028,000 ‡ | 15.41 |
| 2/2/85 | 418,778,000 ‡ | 15.46 |

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares outstanding.

### Income Account (000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 809,457 | $ 2,066,589 |
| Cost of sales | 575,467 | 1,499,641 |
| Expenses | 117,324 | 402,318 |
| Depreciation & amortization | 20,226 | 63,835 |
| Interest expense | 30,573 | 45,620 |
| Prov. for restructuring | — | 7,569 |
| Income bef. taxes | $ 65,867 | $ 47,606 |
| Income taxes | 26,570 | 22,573 |
| Net Income | $ 39,297 | $ 25,033 |
| Extraord. gain | — | 5,494 |
| Net Income & extraord. gain | $ 39,297 | $ 30,527 |

### Assets (000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 253,278 | $ 110,243 |
| Accts. receiv., net | 32,614 | 28,571 |
| *Inventories | 579,651 | 670,236 |
| Prepaid expenses | 12,394 | 2,264 |
| Current Assets | $ 877,937 | $ 811,314 |
| #Fixed assets | 370,315 | 303,533 |
| Prop. under cap. leases | 268,098 | 118,937 |
| Goodwill | 148,814 | — |
| Other assets | 70,431 | 6,076 |
| Total Assets | $ 1,735,595 | $ 1,239,860 |

### Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt. & cap. lease oblig., curr. | $ 292,088 | $ 7,247 |
| Accts. payable | 317,073 | 333,327 |
| Accruals | 107,503 | 76,672 |
| Income taxes | 22,173 | 8,819 |
| Curr. Liabilities | $ 738,837 | $ 426,065 |
| Long-term debt | 636,961 | 250,774 |
| Cap. lease oblig. | 137,993 | 142,834 |
| Deferred credits | 132,511 | 17,283 |
| +Preferred stock | — | 368 |
| ++Common stock | 24,951 | 24,953 |
| Add. paid-in capital | 25,049 | 186,623 |
| Retained earnings | 39,293 | 190,960 |
| Total Liabilities & Shareholders' Equity | $ 1,735,595 | $ 1,239,860 |

* At lower of cost (LIFO) or market. Electronics inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $10 par value, 6% cumulative, Series A.
++ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 8.14 | 2.30 |
| %Net Income to Sales | 4.85 | 1.21 |
| %Net Income to Equity | 44.01 | 6.21 |
| Sales to Inventories | 1.40 | 3.08 |
| Debt to Equity | 11.95 | 0.99 |
| Working Capital | $ 139,100,000 | $ 385,249,000 |
| Current Ratio | 1.19 | 1.90 |
| Shareholder's Equity | $ 89,293,000 | $ 402,904,000 |

## Big B, Inc.

2600 Morgan Road at I-459 So.
Bessemer, Alabama 35023
(205) 424-3421

Mailing address:
P.O. Box 10168
Birmingham, Alabama 35202

**Officers:** Joseph Bruno, chairman of the board; Anthony J. Bruno, president; Arthur M. Jones, Sr., exec. v.p., secretary & treasurer; Vincent J. Bruno, v.p.-merchandising & advertising; Bobby W. Little, v.p.-store operations; John F. Hight, Jr., v.p.-professional relations; James A. Bruno, v.p.-marketing; S. Steven Taylor, v.p.-real estate & store development; Eugene A. Beckmann, v.p.-human resources; Michael J. Tortorice, v.p.-finance.

**Directors:** Joseph Bruno, chairman; Anthony J. Bruno, Arthur M. Jones, Sr., Vincent J. Bruno, Isaac L. Alderman, Katherine M. McTyeire, Richard Cohn.

**Business Activities:** Operates 278 Big "B" drugstores, 5 Home Health Care centers, and 12 Drugs for Less discount drugstores in five southern states, with the great majority located in Georgia and Alabama.

**Acquisition:**

The Reed Drug Company
Atlanta, Georgia
Operates 85 drug stores located primarily in the Atlanta and Columbus, Georgia areas.

**Transfer Agent(s):**

First Alabama Bank
Montgomery, Alabama

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** BIGB (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989* | 210 | 1986 | 135 |
| 1988 | 188 | 1985 | 114 |
| 1987 | 153 | | |

*Figure for 1989 does reflect acquisition of The Reed Drug Company, which occurred subsequent to fiscal year-end.

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 271,276,000 | $ 7,261,000 |
| 1988 | 248,563,000 | 7,276,000 |
| 1987 | 209,787,000 | 4,469,000 |
| 1986 | 175,431,000 | 4,039,000 |
| 1985 | 148,067,000 | 4,442,000 |

| | No. of Com. Shares | Earn. per Share # |
|---|---|---|
| 1989 | 7,425,703 | $ 0.97 |
| 1988 | 7,393,003 | 0.94 |
| 1987 | 7,369,245 | 0.61 |
| 1986 | 6,609,745 | 0.61 |
| 1985 | 6,574,416 | 0.68 |

# Based on the weighted average number of common shares outstanding.

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 66,103,000 | $ 8.90 |
| 1988 | 59,557,000 | 8.06 |
| 1987 | 57,527,000 | 7.81 |
| 1986 | 34,563,000 | 5.23 |
| 1985 | 30,194,000 | 4.59 |

### Income Account (000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 271,276 | $ 248,563 |
| Cost of sales | 189,147 | 173,523 |
| Expenses | 67,847 | 60,779 |
| Depreciation & amortization | 3,605 | 3,214,000 |
| Gain on sale of prop. | (1,130) | (1,700) |
| Interest expense | 1,308 | 705 |
| Interest income | (14) | (89) |
| Income before taxes | $ 10,513 | $ 12,131 |
| Income taxes | 3,800 | 4,855 |
| Cum. effect of acct. change | (503) | — |
| Net Income | $ 7,216 | $ 7,276 |

### Assets (000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & temp. cash. invest. | $ 938 | $ 208 |
| Receivables, net | 7,224 | 5,524 |
| *Inventories | 90,782 | 70,810 |
| Prepaid expenses | 1,145 | 1,061 |
| Current Assets | $ 100,089 | $ 77,603 |
| #Fixed assets | 25,398 | 24,113 |
| Cash surrender value of life insur. policy | 420 | 326 |
| Total Assets | $ 125,907 | $ 102,042 |

### Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 447 | $ 318 |
| Notes payable | 14,000 | 2,854 |
| Accts. payable | 30,763 | 22,172 |
| Accrued inc. taxes | — | 2,891 |
| Accrued payroll | 3,084 | 2,755 |
| Other accruals | 1,486 | 1,090 |
| Curr. Liabilities | $ 49,780 | $ 32,080 |

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig. | 7,399 | 7,712 |
| Deferred inc. taxes | 2,198 | 2,352 |
| Deferred comp. | 369 | 277 |
| Deferred gains | 58 | 64 |
| +Common stock | 74 | 79 |
| Add. paid-in capital | 30,820 | 32,834 |
| Retained earnings | 35,209 | 31,513 |
| Treasury stock | — | (4,869) |
| Total Liabilities & Shareholders' Equity | $ 125,907 | $ 102,042 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.88 | 4.88 |
| %Net Income to Sales | 2.66 | 2.93 |
| %Net Income to Equity | 10.92 | 12.22 |
| Sales to Inventories | 2.99 | 3.51 |
| Debt to Equity | 0.33 | 0.18 |
| Working Capital | $ 50,309,000 | $ 45,523,000 |
| Current Ratio | 2.01 | 2.42 |
| Shareholders' Equity | $ 66,103,000 | $ 59,557,000 |

## Big V Supermarkets, Inc.

176 North Main Street
Florida, New York 10921
(914) 651-4411

(Became a privately held corporation via a leveraged buyout in October 1987.)

**Officers:** Richard Rosenberg, chairman of the board; David G. Bronstein, president & chief executive officer; Gary S. Koppele, sr. v.p.-administration, treasurer & chief financial officer; E. J. Fox, v.p.-industrial relations; Cornelius J. J. Madera, Jr., sr. v.p.-corp. development, secretary & general counsel; Richard Rantala, v.p.-merchandising; John W. Beisel, Jr., v.p.-operations.

**Directors:** Richard Rosenberg, chairman; William Rosenberg, Walter H. Weiner, Charles Bloom, L. Frederick Polakoff, Joseph N. Hankin, David G. Bronstein.

**Business Activities:** Operates a chain of 26 supermarkets under the "ShopRite" name, primarily in the Hudson River Valley, New York State, area.

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1988 | 26 | 1985 | 32 |
| 1987 | N.A. | 1984 | 32 |
| 1986 | 32 | | |

N.A. - Not Available.

## Blair Corporation

(formerly New Process Company)

220 Hickory Street
Warren, Pennsylvania 16366
(814) 723-3600

**Officers:** Murray K. McComas, president; Alan J. Blair, exec. vice president; Robert W. Blair, vice president and secretary; Giles W. Schutte, vice president & treasurer; Steven M. Blair, v.p.-order handling; Robert D. Crowley, v.p.-men's merchandise; John H. Carter, v.p.-merchandise handling; John A. Lasher, v.p.-advertising; John E. Zawacki, v.p.-women's merchandise; C. Wayne Kipple, v.p.-home furnishings; Michael J. Samargya, v.p.-data processing; Blair T. Smoulder, v.p.-planning; Richard E. Zimmerman, v.p.-personnel; George A. Stark, asst. v.p.-mailing; Kenneth W. Bastow, asst. v.p.-merchandise handling; Lois S. Bartholomew, asst. v.p.-women's merchandise; Timothy J. Baker, asst. v.p.-plannning; Stephen P. Wiedmaier, asst. v.p.-order handling; Thomas A. Stilwell, asst. v.p.-data processing; Rodney T. Henry, asst. v.p.-personnel; Thomas P. McKeever, asst. v.p.-employee & public relations; Brian D. Waterfield, asst. v.p.-home furnishings; Randall A. Scalise, asst. v.p.-women's merchandise; Kent R. Sivillo, asst. treasurer; David A. Blair, asst. secretary.

**Directors:** John L. Blair, Alan J. Blair, Robert W. Blair, Giles W. Schutte, Michael J. Samargya, John H. Carter, Murray K. McComas, Steven M. Blair, Blair T. Smoulder, David A. Blair, John E. Zawacki.

**Business Activities:** Mail order house. Sells men's and women's apparel, plus a broad range of home furnishings, primarily by mail. Its facilities are located in the Warren, Pennsylvania, area where all functions of advertising preparation, mailing, order handling and shipping are performed.

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007-2192

**Stock Exchange(s):** American

**Ticker Symbol:** NOZ

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 418,278,484 | $ 34,140,702 |
| 1987 | 362,576,600 | 22,646,284 |
| 1986 | 359,609,041 | 17,694,945 |
| 1985 | 329,727,489 | 19,169,534 |
| 1984 | 299,142,618 | 18,699,697 |

| | No. of Com. Shares | Earn. per Share |
|---|---|---|
| 1988 | 9,106,032 | $ 3.71 |
| 1987 | 9,354,828 | 2.42 |
| 1986 | 9,359,778 | 1.89 |
| 1985 | 9,414,178 | 2.03 |
| 1984 | 9,483,578 | 1.97 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 2.15 | — | — |
| 1987 | 1.44 | — | |
| 1986 | 1.18 | — | — |
| 1985 | 1.25 | — | — |
| 1984 | 1.20 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 97,987,270 | $ 10.76 |
| 1987 | 90,471,092 | 9.67 |
| 1986 | 81,246,352 | 8.68 |
| 1985 | 75,962,268 | 8.07 |
| 1984 | 69,976,583 | 7.38 |

**Income Account ***

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 418,278,484 | $ 362,576,600 |
| Other income | 15,045,658 | 13,927,835 |
| Total income | $ 433,324,142 | $ 376,504,435 |
| Cost of sales | 200,026,779 | 173,405,793 |
| Expenses | 164,655,034 | 149,489,863 |
| Prov. for doubtful accts. | 13,773,627 | 13,198,495 |
| Income before taxes | $ 54,868,702 | $ 40,410,284 |
| Income taxes | 20,728,000 | 17,764,000 |
| Net Income | $ 34,140,702 | $ 22,646,284 |

* Included in Costs and Expenses, Depreciation: $2,814,305 in 1988 and $2,051,906 in 1987.

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 15,431,764 | $ 17,739,001 |
| Accts. receiv., net | 78,227,835 | 71,069,888 |
| *Inventories | 47,767,525 | 36,557,347 |
| Prepaid expenses | 322,477 | 401,163 |
| Current Assets | $ 141,749,601 | $ 125,767,399 |
| #Fixed assets | 17,241,112 | 16,302,460 |
| Total Assets | $ 158,990,713 | $ 142,069,859 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 25,675,317 | $ 19,524,809 |
| Advance payment | 1,482,612 | 1,397,788 |
| Accruals | 8,173,397 | 5,793,664 |
| Dividends payable | 15,480,254 | 9,962,892 |
| Income taxes | 5,964,063 | 4,479,614 |
| Deferred income taxes | 4,228,000 | 10,440,000 |
| Curr. Liabilities | $ 61,003,443 | $ 51,598,767 |
| +Common stock | 419,810 | 419,810 |
| Add. paid-in capital | 3,295,367 | 2,682,479 |
| Retained earnings | 110,950,032 | 96,424,787 |
| Treasury stock | (16,677,939) | (9,055,984) |
| Total Liabilities & Shareholders' Equity | $ 158,990,713 | $ 142,069,859 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 13.12 | 11.42 |
| %Net Income to Sales | 8.16 | 6.25 |
| %Net Income to Equity | 34.84 | 25.03 |
| Sales to Inventories | 8.76 | 9.92 |
| Working Capital | $ 80,746,158 | $ 74,168,632 |
| Current Ratio | 2.32 | 2.44 |
| Shareholders' Equity | $ 97,987,270 | $ 90,471,092 |

## Borman's, Inc.

18718 Borman Avenue
Detroit, Michigan 48228
(313) 270-1000

Mail address:
P.O. Box 33446
Detroit, Michigan 48232-5446

(Borman's was acquired by The Great Atlantic & Pacific Tea Co. in January, 1989.)

**Officers:** Paul Borman, president; Thomas V. Angott, exec. v.p.; Robert A. Peiser, sr. v.p.-finance & treasurer; Leonard Borman, secretary; James R. Smith, v.p.-personnel; Ray Rohr, controller; Ted J. Simon, v.p.-real estate.

**Directors:** Paul Borman, Thomas V. Angott, Leonard Borman, E. L. Koning, Grant C. Gentry, Ted J. Simon, Jack Levine, Robert A. Peiser, Robert E. Epstein.

**Business Activities:** Operates Farmer Jack supermarkets located in Detroit and environs; also owns the Detroit Pure Milk Company, a distributor of dairy products, and the Wesley's Quaker Maid Inc., a processor and distributor of ice cream products.

**Subsidiaries:**

Farmer Jack Supermarkets Division
18718 Borman Avenue
Detroit, Michigan 48228

Detroit Pure Milk Co.
18940 Weaver
Detroit, Michigan 48228

Wesley's Quaker Maid, Inc.
18940 Weaver
Detroit, Michigan 48228

## Borman's, Inc.

**Number of Stores:** (at fiscal year end)

| | Supermarkets | Convenience stores |
|---|---|---|
| 1988 | 83 | — |
| 1987 | 83 | — |
| 1986 | 82 | 16 |
| 1985 | 85 | 16 |
| 1984 | 85 | 16 |

**Sales & Earnings**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 1,028,255,000 | $ (28,311,000) |
| 1987* | 1,072,998,000 | 11,048,000 |
| 1986 | 987,188,000 | 7,338,000 |
| 1985 | 1,025,920,000 | (1,119,000) |
| 1984 | 996,236,000 | (10,915,000) |

| | No. of Com. Shares | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 2,808,404 | $ — |
| 1987* | 2,807,393 | 3.27 |
| 1986 | 2,803,404 | 2.62 |
| 1985 | 2,803,404 | — |
| 1984 | 2,800,729 | — |

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gains of $2,910,000 ($1.06 per share) in 1987 and $2,380,000 ($0.85 per share) in 1986.
# Based on the average number of shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 10,110,320 | $ 3.60 |
| 1987 | 38,782,535 | 13.81 |
| 1986 | 30,135,166 | 10.75 |
| 1985 | 22,797,009 | 8.13 |
| 1984 | 23,900,749 | 8.53 |

**Income Account ***

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Net sales | $ 1,028,254,713 | $ 1,072,998,137 |
| Cost of sales | 773,830,356 | 805,503,682 |
| Expenses | 246,738,498 | 252,301,371 |
| Loss on invest. | 13,307,078 | — |
| Cost of employee benefit | 12,912,000 | — |
| Interest expense | 5,922,519 | 918,983 |
| Interest on oblig. under cap. leases | 3,855,602 | 3,226,461 |
| Inc. (loss) bef. taxes | $ (28,311,340) | $ 11,047,640 |
| Income taxes (credit) | (230,000) | 4,790,000 |
| Net Income (Loss) | $ (28,081,340) | $ 6,257,640 |
| Extraord. gain | — | 2,910,000 |
| Net Income (Loss) & extraord. gain | $ (28,081,340) | $ 9,167,640 |

* Included in Costs and Expenses, Depreciation and Amortization: $7,208,028 in 1988 and $6,426,364 in 1987.

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ 3,462,962 | $ 7,900,164 |
| Receiv., net | 11,504,647 | 12,083,636 |
| Recov. income taxes | 7,600,000 | — |
| *Inventories | 57,223,343 | 57,009,601 |
| Prepaid expenses | 9,666,111 | 10,010,068 |
| Investment | 36,866,002 | — |
| Current Assets | $ 126,323,065 | $ 87,003,469 |
| #Fixed assets | 57,906,834 | 49,679,633 |
| Defer. charges & other assets | 6,240,304 | 7,310,544 |
| Prop. under cap. leases | 38,906,662 | 31,408,079 |
| Total Assets | $ 229,376,865 | $ 175,401,725 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 27,905,959 | $ 853,809 |
| Accts. payable | 52,279,908 | 45,176,426 |
| Accruals | 36,172,907 | 34,753,336 |
| Oblig. under cap. leases, curr. | 2,160,910 | 1,617,139 |
| Curr. Liabilities | $ 118,519,684 | $ 82,400,710 |
| Long-term debt | 47,741,070 | 8,505,332 |
| Oblig. under cap. leases | 40,636,905 | 32,923,812 |
| Est. self insurance | 9,716,000 | 10,023,000 |
| Other liab. | 2,652,886 | 2,766,336 |
| +Common stock | 2,184,888 | 3,018,942 |
| +Class B stock | 834,054 | — |
| Add. paid-in capital | 7,973,517 | 7,973,517 |
| Retained earnings | 627,360 | 29,200,578 |
| Treasury stock | (1,509,502) | (1,509,502) |
| Total Liabilities & Shareholders' Equity | $ 229,376,865 | $ 175,401,725 |

* At lower of cost (LIFO; perishables at average cost or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 1.03 |
| %Net Income to Sales | — | 0.58 |
| %Net Income to equity | — | 16.14 |
| Sales to Inventories | 17.97 | 18.82 |
| Debt to Equity | 11.72 | 1.13 |
| Working Capital | $ 7,803,381 | $ 4,602,759 |
| Current Ratio | 1.07 | 1.05 |
| Shareholders' Equity | $ 10,110,320 | $ 38,782,535 |

## Boys Markets, Inc.

5531 Monte Vista Street
Los Angeles, California 90042
(213) 258-8080

(Acquired by American Braco Corporation, a private company, on April 4, 1988.)

**Officers:** Peter J. Sodini, president & chief exec. officer; George G. Gollcher, sr. v.p.-finance & administration & chief financial officer; Harry W. Morter, sr. v.p.-marketing; Vincent Polimene, sr. v.p.-operations; Patrick Barber, v.p. & secretary; James L. Pike, v.p.-human resources.

**Directors:** Peter J. Sodini, Bradcord M. Freeman, Steven J. Gilbert, C. L. Pecchenino, Will Richeson, Jr., Richard J. Riordan, Ronald P. Spogli.

**Business Activities:** Operates 46 supermarkets in the greater Los Angeles metropolitan area under the name "Boys Markets." Also operates one drug store.

**Transfer Agent(s):**

U.S. Stock Transfer Corporation

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** BOYS (NASDAQ)

**Number of Stores:** (at fiscal year end)

1986 . . . . . 47

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1987* | $ 113,651,000 | $ 2,122,000 |
| 1986# | 373,836,000 | 6,211,000 |

| | No. of Com. Shares | Earn. per Share |
|---|---|---|
| 1987* | 9,200,000 | $ 0.22 |
| 1986# | 9,200,000 | 0.65 |

* 12 weeks.
# 40 weeks.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | — | — | — |
| 1986 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 15,783,000 | $ 1.72 |
| 1986 | 13,661,000 | 1.48 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended | 3/22/87+ (12 weeks) | 12/28/86 (40 weeks) |
|---|---|---|
| Net sales | $ 113,651,000 | $ 373,836,000 |
| Cost of sales | 80,109,000 | 264,312,000 |
| Expenses | 29,811,000 | 95,876,000 |
| Interest expense | 2,295,000 | 5,745,000 |
| Other income | (1,482,000) | (1,412,000) |
| Income before taxes | $ 2,918,000 | $ 9,315,000 |
| Income taxes | 796,000 | 3,104,000 |
| Net Income | $ 2,122,000 | $ 6,211,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,214,000 in 1987 and $3,892,000 in 1986.
+ Unaudited.

**Assets**

| As of | 3/22/87 | 12/28/86 † |
|---|---|---|
| Cash | $ 9,572,000 | $ 9,626,000 |
| Trade receivables | 2,716,000 | 2,778,000 |
| Notes receivable | 1,370,000 | 2,082,000 |
| Note receiv.-rel. party | 30,000,000 | 30,000,000 |
| Other receivables | 1,665,000 | 1,133,000 |
| *Inventories | 33,642,000 | 34,998,000 |
| Prepaid expenses | 1,464,000 | 1,288,000 |
| Deposits with suppliers | 1,800,000 | 1,752,000 |
| Current Assets | $ 82,229,000 | $ 83,657,000 |
| #Fixed assets | 86,370,000 | 83,160,000 |
| Investments | 8,498,000 | 8,397,000 |
| Liquor licenses | 755,000 | 753,000 |
| Deferred tax benefit | 1,485,000 | 1,645,000 |
| Other assets | 1,261,000 | 1,317,000 |
| Total Assets | $ 180,598,000 | $ 178,929,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,022,000 | $ 1,073,000 |
| Other debt, curr. | 30,000,000 | 30,000,000 |
| Cap. lease oblig., curr. | 1,034,000 | 1,034,000 |
| Accounts payable | 28,263,000 | 28,434,000 |
| Accruals | 20,826,000 | 19,122,000 |
| Income taxes | 3,634,000 | 5,434,000 |
| Curr. Liabilities | $ 84,779,000 | $ 85,087,000 |

| | | |
|---|---|---|
| Revolving credit facil. | 30,008,000 | 31,298,000 |
| Long-term debt | 11,559,000 | 11,779,000 |
| Cap. lease oblig. | 26,515,000 | 24,709,000 |
| Amts. pay. to former stockholders | 2,801,000 | 2,801,000 |
| Liab. for self-insurance | 7,153,000 | 7,594,000 |
| †Redeem. preferred stock | 2,000,000 | 2,000,000 |
| +Common stock | 92,000 | 92,000 |
| Add. paid-in capital | 7,908,000 | 7,908,000 |
| Stockholder notes receiv. | (550,000) | (550,000) |
| Retained earnings | 8,333,000 | 6,211,000 |
| Total Liabilities & Shareholders' Equity | $ 180,598,000 | $ 178,929,000 |

† Unaudited.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 2.57 | 2.49 |
| % Net Income to Sales | 1.87 | 1.66 |
| % Net Income to Equity | 13.44 | 45.47 |
| Sales to Inventories | 3.38 | 10.68 |
| Shareholders' Equity | $ 15,783,000 | $ 13,661,000 |

## Brendle's Incorporated

1919 North Bridge Street
Elkin, North Carolina 28621
(919) 526-5600

**Officers:** Douglas D. Brendle, chairman of the board, president & chief executive officer; S. Floyd Brendle, vice chairman; William F. Cosby, sr. v.p.; Jeffrey D. Mick, v.p. & chief financial officer; John H. Olinger, treasurer; David R. Renegar, secretary & controller.

**Directors:** Douglas D. Brendle, S. Floyd Brendle, William F. Cosby, Patty Brendle Redway, John D. Gray, James B. Edwards, Thomas H. Davis.

**Business Activities:** Operates 40 discount retail stores in Georgia, North Carolina, South Carolina, Tennessee and Virginia. These stores offer a broad assortment of jewelry and other hard goods.

**Transfer Agent(s):**

Wachovia Bank and Trust Company, N.A.
Winston-Salem, North Carolina

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** BRDL (NASDAQ)

**Number of Stores**

| | | | |
|---|---|---|---|
| 1989 | 40 | 1988 | 42 |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 261,104,000 | $ 1,268,000 |
| 1987 | 228,155,000 | 3,882,000 |
| 1986 | 210,850,000 | 7,209,000 |
| 1985 | 183,572,000 | 6,649,000 |
| 1984 | 146,826,000 | 8,836,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 8,064,000 | $ 0.16 |
| 1987 | 8,332,000 | 0.47 |
| 1986 | 7,996,000 | 0.90 |
| 1985 | 7,102,000 | 0.94 |
| 1984 | 7,283,000 | 1.21 |

† Including extraordinary gain of $3,500,000 ($0.48 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 65,532,000 | $ 8.13 |
| 1987 | 64,888,000 | 7.79 |
| 1986 | 63,454,000 | 7.94 |
| 1985 | 35,225,000 | 4.96 |
| 1984 | 28,576,000 | 3.92 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**
**(000's)**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 261,104 | $ 228,155 |
| Cos. of sales | 189,146 | 165,404 |
| Expenses | 55,910 | 47,210 |
| Depreciation & amortization | 5,363 | 4,875 |
| Interest expense: | | |
| Cap. leases | 2,330 | 2,762 |
| Other | 1,303 | 1,122 |
| Prov. for store clos. | 4,695 | — |
| Income before taxes | $ 2,357 | $ 6,782 |
| Income taxes | 1,089 | 2,900 |
| Net Income | $ 1,268 | $ 3,882 |

**Assets**
**(000's)**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & temp. cash invest. | $ 3,345 | $ 3,767 |
| Marketable securities | 106 | 2,542 |
| Accts. receiv., net | 845 | 1,137 |
| *Inventories | 71,212 | 73,492 |
| Prepaid expenses | 438 | 528 |
| Current Assets | $ 75,946 | $ 81,466 |
| #Fixed assets | 38,442 | 40,263 |
| Defer. inc. taxes | 1,786 | 255 |
| Other assets | 1,359 | 993 |
| Total Assets | $ 117,533 | $ 122,977 |

**Liabilities**
**(000's)**

| | | |
|---|---|---|
| Notes payable | $ — | $ 10,000 |
| Long-term debt, curr. | 1,020 | 865 |
| Accts. payable | 29,691 | 26,791 |
| Accrued compensation | 779 | 917 |
| Other accruals | 2,630 | 2,867 |
| Income taxes | 1,663 | 2,835 |
| Curr. Liabilities | $ 35,783 | $ 44,275 |
| Long-term debt | 12,196 | 13,219 |
| Deferred credit | 829 | 595 |
| Other liabilities | 3,193 | — |
| +Common stock | 8,377 | 8,377 |
| Add. paid-in capital | 19,745 | 19,745 |
| Retained earnings | 39,653 | 38,619 |
| Treasury stock | (2,243) | (1,853) |
| Total Liabilities & Shareholders' Equity | $ 117,533 | $ 122,977 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.90 | 2.97 |
| %Net Income to Sales | 0.49 | 1.70 |
| %Net Income to Equity | 1.93 | 5.98 |
| Sales to Inventories | 3.67 | 3.10 |
| Debt to Equity | 0.20 | 0.37 |
| Working Capital | $ 40,163,000 | $ 37,191,000 |
| Current Ratio | 2.12 | 1.84 |
| Shareholders' Equity | $ 65,532,000 | $ 64,888,000 |

## Brown Group, Inc.

P.O. Box 29
8400 Maryland Avenue
St. Louis, Missouri 63166
(314) 854-4000

**Officers:** B. A. Bridgewater, Jr., chairman of the board & chief executive officer; Richard L. Anderson, president; Harry E. Rich, exec. v.p. & chief financial officer; Robert D. Pickle, v.p., corp. secretary & general counsel; William S. Frederick, v.p. & controller; J. J. Cramer, v.p. & pres.-Brown Group International; Ordean H. Burud, v.p.-real estate; Robert D. Gibbs, v.p.-distribution; Donald G. Lenoard, v.p.-management information systems; David L. Bowman, v.p.-public affairs; Andrew M. Rosen, treasurer.

**Directors:** W. L. Hadley Griffin*, Warren McK. Shapleigh*, Richard W. Shomaker*, B. A. Bridgewater, Jr.*, Daniel R. Toll*, William E. Maritz, Harry E. Rich*, Joan F. Lane, Richard L. Anderson*, Joseph L. Bower, Morton I. Sealand, Harry E. Rich*, Monte E. Shomaker, honorary director.

* Member of the Executive Committee

**Business Activities:** Manufactures, markets and retails a wide range of brand name, nationally advertised footwear for women, men and children. Also operates company-owned shoe stores, leased retail shoe departments in department stores, and retail fabric stores.

**Subsidiaries:**

Footwear:

Brown Shoe Company
8300 Maryland Avenue
St. Louis, Missouri 63105
Manufactures and distributes footwear.

Brown Shoe Co. of Canada, Ltd.
1857 Rogers Road
Perth, Ontario K7H 3E3 Canada
Manufactures and distributes footwear.

Wohl Shoe Company
8350 Maryland Avenue
St. Louis, Missouri 63105
Operates leased shoe departments and shoe stores.

Pagoda Trading Company, Inc.
1950 Craig Road
St. Louis, Missouri 63146
Imports footwear from the Far East.

Specialty Retailing:

Cloth World
8500 Maryland Avenue
St. Louis, Missouri 63105
Operates 319 retail fabric stores throughout the U.S.

**Acquisition:**

F.X. LaSalle Company
Montreal, Quebec, Canada
Operates fashion shoe stores and Naturalizer shoe stores in Canada.

**Transfer Agent(s) and Registrar(s):**

Morgan Shareholder Services Trust Company
P.O. Box 3981
Church Street Station
New York, New York 10008

Boatmen's Trust Company
P.O. Box 14737
St. Louis, Missouri 63178

**Stock Exchange(s):** New York, Midwest

**Ticker Symbol:** BG

# Brown Group, Inc.

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 4,128 | 1985 | 4,324 |
| 1987 | 4,213 | 1984 | 4,416 |
| 1986 | 4,168 | | |

* Includes company-owned stores, leased departments, and independently owned affiliates.

**Sales & Earnings**

| | Net Sales + ('000's) | Net Income ('000's) |
|---|---|---|
| 1988 | $ 1,706,565 | $ 8,283 |
| 1987 | 1,571,955 | 46,853 |
| 1986 | 1,292,549 | 39,503 |
| 1985 | 1,294,679 | 51,573 |
| 1984* | 1,333,244 | 36,446 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 17,349,000 | $ 0.48 |
| 1987 | 17,831,000 | 2.63 |
| 1986 | 18,269,000 | 2.16 |
| 1985 | 19,497,000 | 2.65 |
| 1984* | 20,300,000 | 1.80 |

* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

**Revenues by Line of Business** ('000's)

| | 1988 | 1987 |
|---|---|---|
| Footwear | $ 1,510,469 | $ 1,374,618 |
| Specialty retailing | 196,096 | 197,337 |
| Total | $ 1,706,565 | $ 1,571,955 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.56 | — | — |
| 1987 | 1.52 | — | — |
| 1986 | 1.46 | — | — |
| 1985 | 1.38 | — | — |
| 1984 | 1.30 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 332,705,000 | $ 19.10 |
| 1987 | 355,001,000 | 20.33 |
| 1986 | 353,089,000 | 19.63 |
| 1985 | 374,729,000 | 19.87 |
| 1984 | 390,708,000 | 19.43 |

**Income Account*** ('000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,706,565 | $ 1,571,955 |
| Cost of sales | 1,062,371 | 962,504 |
| Expenses | 581,323 | 516,174 |
| Interest expense | 16,983 | 12,583 |
| Sundry income | (2,526) | (5,144) |
| Income bef. taxes | $ 48,414 | $ 85,838 |
| Income taxes | 18,280 | 32,297 |
| Inc. - cont. oper. | $ 30,134 | $ 53,541 |
| Loss - discont. oper. | (21,851) | (6,688) |
| Net Income | $ 8,283 | $ 46,853 |

* Included in Costs and Expenses, Depreciation and Amortization: $26,501,000 in 1988 and $24,085,000 in 1987.

**Assets** ('000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash invest. | $ 11,968 | $ 21,453 |
| Accts. receiv., net | 135,063 | 133,091 |
| *Inventories | 338,148 | 300,713 |
| Net assets - discont. oper. | 13,137 | 14,259 |
| Prepaid exp. & other assets | 28,997 | 23,613 |
| Current Assets | $ 527,313 | $ 493,129 |
| #Fixed assets | 146,831 | 128,314 |
| Net assets - discont. oper. | 10,533 | 19,384 |
| Other assets | 43,533 | 32,048 |
| Total Assets | $ 728,210 | $ 672,875 |

**Liabilities** ('000's)

| | | |
|---|---|---|
| Notes payable | $ 67,769 | $ 20,073 |
| Long-term debt, curr. | 4,502 | 3,969 |
| Accts. payable | 86,352 | 73,240 |
| Employee compensation and benefits | 43,205 | 39,669 |
| Other accruals | 41,815 | 33,080 |
| Income taxes | 234 | 6,780 |
| Curr. Liabilities | $ 243,877 | $ 176,811 |
| Long-term debt & cap. lease oblig. | 136,044 | 120,442 |
| Deferred compensation plans | 3,089 | 10,928 |
| Deferred inc. taxes | 12,495 | 9,693 |
| +Common stock | 65,330 | 65,467 |
| Add. paid-in capital | 21,555 | 18,118 |
| Retained earnings | 247,542 | 271,972 |
| Unamort. value of restricted stock | (3,110) | — |
| Cumulative trans. adjustment | 1,388 | (556) |
| Total Liabilities & Shareholders' Equity | $ 728,210 | $ 672,875 |

* At lower of cost (LIFO) or market; foreign inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $3.75 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 2.49 | 13.20 |
| Sales to Inventories | 5.05 | 5.23 |
| Debt to Equity | 0.63 | 0.41 |
| Working Capital | $ 283,436,000 | $ 316,318,000 |
| Current Ratio | 2.16 | 2.68 |
| Shareholders' Equity | $ 332,705,000 | $ 355,001,000 |

## Burlington Coat Factory Warehouse Corporation

Route 130
Burlington, New Jersey 08016
(609) 386-3314

**Officers:** Monroe G. Milstein, chairman, president & chief exec. officer; Henrietta Milstein, v.p.-children's wear & secretary; Stephen E. Milstein, v.p.-men's wear; Mark A. Nesci, v.p.-store operations; Robert L. LaPenta, Jr., corp. controller & chief accounting officer; Norman Ross, v.p. & gen. merchandise mgr.; Elisabeth Stout, treasurer.

**Directors:** Monroe G. Milstein, chairman; Henrietta Milstein, Andrew Milstein, Henry Benach, Harvey Morgan, J. M. Long, N. C. Adams, R. M. Long, I. W. Rowland, Samuel B. Stewart, Ronald A. Plomgren, D. E. McHenry, R. A. Scott, T. R. Sweeney, S. D. Roath, W. G. Combs, E. E. Johnston.

**Business Activities:** Operates a chain of off-price apparel stores specializing in outerwear, in 32 states.

**Transfer Agent(s):**

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** New York

**Ticker Symbol:** BCF

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 658 | 1984 | 1,098 |
| 1986 | 698 | 1983 | 1,157 |
| 1985 | 1,088 | | |

**Number of Stores:**
**(at fiscal year end)**

| | | | |
|---|---|---|---|
| 1987 | 107 | 1985 | 74 |
| 1986 | 87 | | |

**Sales and Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1987 | $ 490,595,000 | $ 20,262,000 |
| 1986 | 391,608,000 | 17,326,000 |
| 1985 | 352,060,000 | 16,088,000 |
| 1984 | 309,719,000 | 16,524,000 |
| 1983 | 220,365,000 | 12,004,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 11,748,673 | $ 1.73 |
| 1986 | 11,717,939 | 1.48 |
| 1985 | 11,700,150 | 1.38 |
| 1984 | 11,700,000 | 1.41 |
| 1983 | N.A. | 1.12 |

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1987 | 1986 |
|---|---|---|
| Grocery & gen. merch. | $ 115,266,017 | $ 87,357,154 |
| Gasoline | 105,849,166 | 123,813,989 |
| Total | $ 221,115,183 | $ 211,171,143 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | — | — | — |
| 1986 | — | — | — |
| 1985 | — | — | — |
| 1984 | — | — | 2,900-for-1 |

+ Adjusted to reflect stock divsidend.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 150,830,000 | $ 12.84 |
| 1986 | 130,060,000 | 11.10 |
| 1985 | 112,120,000 | 9.58 |
| 1984 | 96,028,000 | 8.21 |
| 1983 | 79,504,000 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account** ('000's)

| Year ended | 10/31/87 | 11/1/86 |
|---|---|---|
| Net sales | $ 480,718 | $ 381,792 |
| Other income | 9,877 | 9,816 |
| Total income | 490,595 | 391,608 |

| | | |
|---|---|---|
| Cost of sales | 321,100 | 253,244 |
| Expenses | 128,075 | 101,193 |
| Depreciation & amortization | 4,865 | 3,457 |
| Interest expense | 967 | 774 |
| Income before taxes | $ 35,588 | $ 32,940 |
| Income taxes | 15,326 | 15,614 |
| Net income | $ 20,262 | $ 17,326 |

**Assets**
(000's)

| As of | 10/31/87 | 11/1/86 |
|---|---|---|
| Cash & short-term invest. | $ 16,020 | $ 40,540 |
| Accts. receiv., net | 3,265 | 3,354 |
| * Inventories | 196,500 | 148,851 |
| Prepaid expenses | 3,265 | 5,398 |
| Current Assets | $ 219,050 | $ 198,143 |
| # Fixed assets | 70,241 | 35,011 |
| Restricted bond fund | 1,802 | 10,502 |
| Other assets | 1,458 | 1,071 |
| Total Assets | $ 292,551 | $ 244,727 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 739 | $ 341 |
| Accts. payable | 107,682 | 82,997 |
| Other current liabilities | 14,056 | 15,278 |
| Other Liabilities | $ 122,477 | $ 98,616 |
| Long-term debt | 6,782,707 | 2,836,221 |
| Deferred inc. taxes | 3,294 | 2,481 |
| + Common stock | 11,761 | 11,731 |
| Add. paid-in stock | 43,845 | 43,367 |
| Retained earnings | 95,224 | 74,962 |
| Total Liabilities & Shareholders' Equity | $ 292,551 | $ 244,727 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.40 | 8.63 |
| %Net Income to Sales | 4.21 | 4.54 |
| %Net Income to Equity | 13.43 | 13.32 |
| Sales to Inventories | 2.45 | 2.56 |
| Debt to Equity | 0.11 | 0.11 |
| Working Capital | $ 96,573,000 | $ 99,527,000 |
| Current Ratio | 1.79 | 2.01 |
| Shareholders' Equity | $ 150,830,000 | $ 130,060,000 |

## Businessland Inc.

1001 Ridder Park Drive
San Jose, California 95131
(408) 437-0400

**Officers:** David A. Norman, chairman, president & chief exec. officer; Ronald J. Brown, sr. v.p.-Businessland services; James A. Heinch, sr. v.p.-finance & corp. operations & chief financial officer; Douglas C. Johnston, sr. v.p.-product management; Beverly K. Aoki, v.p.-training & technical services; Suzanne M. Crocker, v.p.-marketing & communications; Arthur W. Dana, v.p.-information services; Murray L. Dennis, v.p.-U.S. sales; P. Brooks McChesney, v.p., general counsel & corp. secretary; Robert R. Nadal, Jr., v.p.-sales operations; N. Martin Nielson, v.p.-distribution operations; Denny K. Paul, v.p.-international; Bruce R. Smith, v.p.-central region; Brian Lecland, v.p.-Businessland rents; Miles Walsh, v.p.-Direct Division.

**Directors:** David A. Norman, chairman; Enzo N. Torresi, Michael G. Berolzheimer, Neill H. Brownstein, David W. Hanna, Michael D. Kaufman, William E. Ladin, Jr..

**Area of Work:** Operates 94 computer retail-and-service centers in 47 major metropolitan areas in 34 states, and 10 locations in the United Kingdom.

**Acquisitions:**

ComputerCraft, Inc.
Operates 24 computer retail stores in Texas, Nevada and California.

Granada Microcomputer Services Limited
United Kingdom
Operates eight computer retail centers in the United Kingdom.

**Transfer Agent(s):**

Bank of America, N.T. & S.A.

**Stock Exchange(s):** New York

**Ticker Symbol:** BLI

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 94 | 1987 | 94 |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 871,552,000 | $ 18,833,000 |
| 1987 | 600,039,000 | 8,370,000 |
| 1986 | 404,300,000 | 4,772,000 |
| 1985 | 267,446,000 | 239,000 |
| 1984 | 89,641,000 | (4,766,000) |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 27,571,000 | $ 0.74 |
| 1987 | 24,861,000 | 0.34 |
| 1986 | 22,935,000 | 0.21 |
| 1985 | 22,731,000 | 0.01 |
| 1984 | 14,064,000 | — |

(Loss)
† Including extraordinary gains of $2,070,000 ($0.09 per share) in 1986 and $195,000 ($0.01 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 120,018,000 | $ 4.35 |
| 1987 | 96,974,000 | 3.90 |
| 1986 | 85,449,000 | 3.73 |
| 1985 | 67,684,000 | 2.98 |
| 1984 | 67,112,000 | 4.77 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***
(000's)

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 871,552 | $ 600,039 |
| Cost of sales | 634,627 | 425,977 |
| Expenses | 199,410 | 156,273 |
| Interest expense | 6,685 | 5,227 |
| Interest income | (2,021) | (1,555) |
| Income before taxes | $ 32,851 | $ 14,117 |
| Income taxes | 14,018 | 5,747 |
| Net income | $ 18,833 | $ 8,370 |

* Included in Costs and Expenses, Depreciation and Amortization: $10,728,000 in 1988 and $6,529,000 in 1987.

**Assets**
(000's)

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 39,752 | $ 70,116 |
| Accts. receiv., net | 136,355 | 93,736 |
| Other receivables | 16,576 | 9,680 |
| *Inventories | 132,499 | 75,781 |
| Prepaid expenses | 1,682 | 1,245 |
| Current Assets | $ 326,864 | $ 250,558 |
| #Fixed assets | 34,564 | 33,196 |
| Other assets | 17,674 | 15,417 |
| Total Assets | $ 379,102 | $ 299,171 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Accts. payable | $ 128,188 | $ 80,055 |
| Accruals | 22,041 | 17,612 |
| Income taxes | 3,013 | 2,333 |
| Deferred income | 13,037 | 8,922 |
| Curr. Liabilities | $ 166,279 | $ 108,922 |
| Convert. subord. deben. | 89,994 | 90,249 |
| Deferred inc. taxes | 348 | 581 |
| Other liabilities | 2,463 | 2,445 |
| +Common stock | 92,751 | 90,122 |
| Retained earnings | 26,255 | 7,422 |
| Notes receiv. from stockholders | (287) | (570) |
| Cum. trans. adjust. | 1,299 | — |
| Total Liabilities & Shareholders' Equity | $ 379,102 | $ 299,171 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.77 | 2.35 |
| %Net Income to Sale | 2.16 | 1.39 |
| %Net Income to Equity | 15.69 | 8.63 |
| Sales to Inventories | 6.58 | 7.92 |
| Working Capital | $ 160,585,000 | $ 141,636,000 |
| Current Ratio | 1.97 | 1.29 |
| Shareholders' Equity | $ 120,018,000 | $ 96,974,000 |

## Cache, Inc.

1460 Broadway, 16th Floor
New York, New York 10036
(212) 840-4242

**Officers:** Roy Chapman, chairman of the board & chief executive officer; Norman Polonofsky, president; James Baker, v.p. & chief administrative officer; Roy Smith, v.p.-store operations; Mae Soo Hoo, v.p.-merchandising; Algis Spokavicius, v.p.-merchandising.

**Directors:** Roy Chapman, chairman of the board; Norman Polonofsky, Andrew M. [illegible], Joseph E. Saul.

**Business Activities:** Operates 38 women's apparel specialty stores under the name "Cache" in 18 states and the District of Columbia.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CACH (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 38 | 1986 | 30 |
| 1987 | 31 | 1985 | 34 |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 25,741,000 | $ 528,000 |
| 1987 | 17,935,000 | (4,948,000) |
| 1986 | 16,169,000 | (4,269,000) |
| 1985 | 18,254,000 | (1,957,000) |
| 1984 | 15,335,000 | (1,655,000) |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 32,291,000 | $ 0.02 |
| 1987 | 25,100,000 | — |
| 1986 | 7,797,000 | — |
| 1985 | 5,375,000 | — |
| 1984 | 4,508,000 | — |

(Loss)
† Including extraordinary gains of $173,000 ($0.01 per share) in 1988 and $2,217,000 in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 1,711,000 | $ 0.05 |
| 1987 | 1,181,000 | 0.05 |
| 1986 | 77,000 | 0.01 |
| 1985 | 2,527,000 | 0.47 |
| 1984 | 2,203,000 | 0.49 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 25,741,000 | $ 17,935,000 |
| Cost of sales | 16,846,000 | 15,181,000 |
| Operating expenses | 4,869,000 | 3,748,000 |
| Expenses | 3,200,000 | 3,773,000 |
| Interest expense | 266,000 | 181,000 |
| Inc. (loss) bef. taxes | $ 560,000 | $ (4,948,000) |
| Income taxes | 205,000 | — |
| Net Income (Loss) | $ 355,000 | $ (4,948,000) |
| Extraord. gain | 173,000 | — |
| Net Income (Loss) & extraord. gain | $ 528,000 | $ (4,948,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $784,000 in 1988 and $594,000 in 1987.

**Assets**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 480,000 | $ 420,000 |
| Acct. receiv., net | 761,000 | 237,000 |
| *Inventories | 3,618,000 | 2,603,000 |
| Prepaid expenses | 107,000 | 98,000 |
| Current Assets | $ 4,966,000 | $ 3,358,000 |
| #Fixed assets | 3,875,000 | 3,018,000 |
| Other assets | 232,000 | 206,000 |
| Total Assets | $ 9,073,000 | $ 6,582,000 |

**Liabilities**

| | | |
|---|---|---|
| Short-term debt-bank | $ 1,250,000 | $ 1,350,000 |
| Short-term debt-rel. party | 790,000 | — |
| Accts. payable | 1,084,000 | 831,000 |
| Accruals | 2,290,000 | 1,478,000 |
| Curr. Liabilities | $ 5,374,000 | $ 3,659,000 |
| Debt to rel. party | 1,656,000 | 1,656,000 |
| Other liabilities | 332,000 | 86,000 |
| +Common stock | 287,000 | 287,000 |
| Add. paid-in capital | 13,666,000 | 13,664,000 |
| Retained earnings (deficit) | (12,242,000) | (12,770,000) |
| Total Liabilities & Shareholders' Equity | $ 9,073,000 | $ 6,582,000 |

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.18 | — |
| %Net Income to Sales | 1.38 | — |
| %Net Income to Equity | 20.75 | — |
| Sales to Inventories | 7.11 | 6.89 |
| Debt to Equity | 2.14 | 2.55 |
| Shareholders' Equity | $ 1,711,000 | $ 1,181,000 |

## Campeau Corporation

40 King Street West
Suite 5800
Toronto, Ontario, M5H 3Y8, Canada
(416) 868-6460

**Officers:** Robert Campeau, chairman of the board & chief executive officer; Ronald W. Tysoe, president & chief operating officer; Russell S. Davis, exec. v.p. & chief financial officer; Paul Campbell, president-Campeau Canada; Jean E. Martineau, sr. v.p.-national capital region, Campeau Canada; Terrence D. Partington, sr. v.p.-western region, Campeau Canada; John P. Boorn, president-Campeau Development Corporation (U.S.); Lenard B. McQuarrie, sr. v.p.-eastern region, Campeau Development Corporation (U.S.); John W. Burden, III, chairman & chief exec. officer-Federated Department Stores & Allied Stores; James M. Zimmerman, president & chief oper. officer-Federated Department Stores & Allied Stores; Thomas G. Cody, exec. v.p.-legal & human resources, Federated Dept. Stores & Allied Stores; Byron E. Allumbaugh, chairman & chief exec. officer-Ralphs Grocery Company; Patrick W. Collins, president & chief operating officer-Ralphs Grocery Company.

**Directors:** Robert Campeau, chairman; Byron E. Allumbaugh, John W. Burden, III, Ilse Campeau, Daniel Campeau, Robert A. Charpie, Edward J. DeBartolo, Robert Despres, Lionel G. Dodd, Allen Finkelson, George C. Hitchman, Daniel W. LeBlond, Francois Mercier, Albert Reichmann, Marvin S. Traub, Ronald Tysoe, J. Roy Weir, Jeannine G. Wood, James M. Zimmerman.

**Business Activities:** Through two major subsidiaries, Allied Stores Corporation and Federated Department Stores, Inc., the Company operates 257 department stores and specialty stores in the U.S. Through its Ralphs Grocery Company subsidiary, the Company operates 137 supermarkets in southern California.

**Subsidiaries:**

Allied Stores Corporation
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

Jordan Marsh
Boston, Massachusetts
Operates 26 department stores, primarily in New England.

Stern's
New Jersey
Operates 24 department stores in New Jersey and New York.

Maas Brothers
Tampa, Florida
Operates 38 department stores, primarily in Florida.

The Bon Marche
Seattle, Washington
Operates 39 department stores in the Pacific Northwest.

Federated Department Stores, Inc.
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

Abraham & Strauss
420 Fulton Street
Brooklyn, New York 11202
(718) 802-8500
Operates 14 full-line department stores in New York and New Jersey.

Bloomingdale's
1000 Third Avenue
New York, New York 10022
(212) 705-2000
Operates 17 upscale department stores on the East Coast and in Texas.

Burdines
22 East Flagler Street
Miami, Florida 33132
305) 835-5151
Operates 30 department stores in Florida.

Goldsmith's
123 South Main Street
Memphis, Tennessee 38143
(901) 529-4545
Operates six department stores in Tennessee.

Lazarus
Seventh & Race Streets
Cincinnati, Ohio 45202
(513) 369-7000
Operates 43 department stores in Ohio, Indiana, Kentucky, Michigan and West Virginia.

Rich's
45 Broad Street S.W.
Atlanta, Georgia 30302
(404) 586-4200
Operates 20 department stores in Georgia, South Carolina, and Alabama.

Ralphs Grocery Company
1100 West Artesia Blvd.
Compton, California 90220
Operates 137 supermarkets, under the "Giant" name and others, in southern California.

**Transfer Agent(s):**

National Trust Company
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver, Canada.

**Stock Exchange(s):** Toronto, Montreal, Over-the-Counter (U.S.)

**Ticker Symbol:** CMP* (Toronto and Montreal); CMAFC* (NASDAQ)

**Number of Stores:**

1989 . . . . . 394 1988 . . . . . 487

**Sales & Earnings x**

| | Net Sales + | Net Income |
|---|---|---|
| 1989 | $ 8,668,000,000 | $ (34,000,000) |
| 1988# | 3,530,000,000 | (196,000,000) |
| 1987 | 977,000,000 | (4,000,000) |
| 1986 | 156,000,000 | N.A. |
| 1985 | 160,000,000 | N.A. |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1989 | 44,324,082 | $ — |
| 1988# | 44,314,882 | — |
| 1987 | 38,684,082 | — |
| 1986 | 38,395,708 | N.A. |
| 1985 | 38,384,006 | N.A. |

(Loss)
N.A. - Not Available.
x - In U.S. dollars.
# 13 months.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Department stores | $ 6,220,000 | $ 2,741,000 |
| Specialty stores | 326,000 | 522,000 |
| Supermarkets | 1,842,000 | — |
| Rental | 214,000 | 220,000 |
| Real estate sales | 66,000 | 47,000 |
| Total | $ 8,668,000 | $ 3,530,000 |

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.30 | — | — |
| 1988 | 0.12 | — | |
| 1987 | 0.08 | — | — |
| 1986 | 0.07 | — | — |

+ In Canadian dollars.

**Common Stock Equity**

| | Total Equity† | Equity Per Share |
|---|---|---|
| 1989 | $ (13,000,000) | $ — |
| 1988 | 37,000,000 | 0.83 |

(Deficiency)
† After allowing for preferred stock at stated values.

**Income Account**
(000's)

| Year ended | 1/31/89 | 1/31/88 |
|---|---|---|
| Revenue | $ 8,668,000 | $ 3,530,000 |
| Cost of revenues | 5,918,000 | 2,110,000 |
| Real estate expenses | 138,000 | 148,000 |
| Expenses | 1,731,000 | 821,000 |
| Financing | 877,000 | 485,000 |
| Depreciation & amortization | 308,000 | 134,000 |
| Corporate expenses | 57,000 | 40,000 |
| Gain on sale of assets | (491,000) | (8,000) |
| Income (loss) before taxes | $ 130,000 | $ (200,000) |
| Income taxes (credit) | 130,000 | (34,000) |
| Minority interest | 34,000 | 30,000 |
| Net Income (Loss) | $ (34,000) | $ (196,000) |

**Assets**
(000's)

| As of | 1/31/89 | 1/31/88 |
|---|---|---|
| Cash | $ 521,000 | $ 19,000 |
| Accts. receiv., net | 1,748,000 | 803,000 |
| *Inventories | 1,586,000 | 514,000 |
| Div. under agree. for sale | 357,000 | — |
| Current Assets | $ 4,212,000 | $ 1,336,000 |
| #Fixed assets | 3,419,000 | 940,000 |
| Rental properties | 1,052,000 | 1,171,000 |
| Develop. properties | 473,000 | 336,000 |
| Notes receivable | 1,298,000 | 45,000 |
| Other assets and deferred charges | 524,000 | 245,000 |
| Intangibles | 2,862,000 | 1,227,000 |
| Assets for sale | 44,000 | 46,000 |
| Discont. real est. assets | 411,000 | 435,000 |
| Total Assets | $ 14,295,000 | $ 5,781,000 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 3,070,000 | $ 983,000 |
| Accts. payable & accruals | 1,469,000 | 675,000 |
| Income taxes | 11,000 | 28,000 |
| Curr. Liabilities | $ 4,550,000 | $ 1,686,000 |
| Long-term debt | 7,858,000 | 3,447,000 |
| Conv. subord. deben. | 416,000 | 144,000 |
| Other liabilities | 184,000 | 16,000 |
| Minority interest | 412,000 | 280,000 |
| Deferred inc. taxes | 787,000 | 70,000 |
| +Retractable preference stock | 101,000 | 101,000 |
| ++Common stock | 165,000 | 165,000 |
| Retained earnings (deficit) | (195,000) | (132,000) |
| For. curr. trans. | 17,000 | 4,000 |
| Total Liabilities & Shareholders' Equity | $ 14,295,000 | $ 5,781,000 |

* Inventories are valued by the retail method and stated on the LIFO basis, which is generally lower than market.
# Less accumulated depreciation and amortization.
+ No par value; Series B, 8% cumulative, Series C, 8.74% cumulative, Series D, 9% cumulative.
++ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 1.50 | — |
| Debt to Equity | — | 32.10 |
| Shareholders' Equity | $ 88,000,000 | $ 138,000,000 |

## Canadian Tire Corporation, Limited

2180 Yonge Street
P.O. Box 770, Station K
Toronto, Ontario, M4P 2V8, Canada
(416) 480-3000

**Officers:** H.L. Macaulay, chairman of the board; Dean Grousmaan, president & chief executive officer; Peter Lige, exec. v.p.-dealer relations; Clive Minto, exec. v.p.-diversified businesses; James B.J. Williams, exec. v.p.-marketing, real estate/construction & distribution; Gerald Kishner, exec. v.p.-finance & administration & chief financial officer; S.J. Bochen, v.p.-distribution; Ronald J. Jaskula, v.p.-real estate & construction; Douglas N. Heuman, v.p. & treasurer; D.A. Hicks, v.p.-real estate & construction; Ted W. Chivers, v.p.-human resources; James F. Ryan, v.p.-Petroleum Division; R. Law, secretary & general counsel; Howard E. Board, v.p. & controller; W. Rae Cowan, v.p.-marketing; Alan B. Goddard, v.p.-corporate affairs; V.H. Mikkelsen, v.p.-management information services; C.D. Smith, asst. treasurer.

**Directors:** A.W. Billes, D.G. Billes, Pierre Cote, Hugh L. Macaulay, Steve W. Groch, Dean Grousmaan, Maureen J. Sabia, William S. Deluce, Donald C. Lowe, Ronald Y. Oberlander, Martha G. Billes, Anthony F. Griffiths, Harry W. Macdonell, C. Edward Medland, Leo A. Seydel.

**Business Activities:** Operates gas stations and tire and auto accessory retail outlets in Canada.

**Divisions and Subsidiaries:**

Canadian Tire Acceptance Limited
176 King Street
Welland, Ontario L3B 5S3, Canada

Cantire (Far East) Limited

**Transfer Agent(s):**

Montreal Trust Company of Canada
Toronto, Halifax, Vancouver, Montreal and Calgary

**Stock Exchange(s):** Montreal, Toronto

**Ticker Symbol:** CTR and CTR.A

**Number of Stores:** (at fiscal year end)

| | Associate Stores | Gasoline Stations |
|---|---|---|
| 1988 | 408 | 145 |
| 1987 | 404 | 132 |
| 1986 | 401 | 118 |
| 1985 | 396 | 115 |
| 1984 | 384 | 109 |

**Sales & Earnings**
(000's)

| | Gross Operating Revenues + | Net Income ‡ |
|---|---|---|
| 1988 | $ 2,640,709 | $ 125,735 |
| 1987 | 2,457,597 | 98,826 |
| 1986* | 2,326,002 | 89,282 |
| 1985 | 2,077,742 | (101,662) |
| 1984 | 1,877,707 | 28,672 |

| | No. of Com. Shares # | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 91,101,889 | $ 1.38 |
| 1987 | 89,627,905 | 1.10 |
| 1986* | 87,061,591 | 1.03 |
| 1985 | 84,085,317 | — |
| 1984 | 80,928,991 | 0.35 |

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gains of $862,000 ($0.01 per share) in 1988, $1,437,000 ($0.02 per share) in 1986, $668,000 in 1984, and extraordinary loss of $142,492 in 1985.
# Based on the weighted average number of class A and common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.24 | — | — |
| 1987 | 0.20 | — | |
| 1986 | 0.20 | — | — |
| 1985 | 0.20 | — | — |
| 1984 | 0.20 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 824,553,000 | $ 9.09 |
| 1987 | 724,336,000 | 7.99 |
| 1986 | 605,373,000 | 6.88 |
| 1985 | 501,324,000 | 5.88 |
| 1984 | 588,479,000 | 7.20 |

**Income Account**
(000's)

| Year ended Dec 31 | 1988 | 1987 |
|---|---|---|
| Gross oper. rev. | $ 2,640,709 | $ 2,457,597 |
| Cost of sales & expenses | 2,340,658 | 2,194,532 |
| Depreciation & amortization | 26,882 | 26,742 |
| Prof. sh. plan | 14,488 | 12,984 |
| Interest expense | 37,125 | 38,704 |
| Other income | (17,184) | (14,797) |
| Income before taxes | $ 238,740 | $ 199,432 |
| Income taxes | 108,939 | 101,087 |
| Inc.-cont. oper. | $ 129,801 | $ 98,345 |
| Inc. (loss)-discont. oper. | (4,928) | 481 |
| Net Income | $ 124,873 | $ 98,826 |
| Extraord. gain | 862 | — |
| Net Income & extraord. gain | $ 125,735 | $ 98,826 |

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 166,876 | $ 170,959 |
| Accts. & loans receiv., net | 162,873 | 153,796 |
| Mortg. receiv. | 20,500 | — |
| Charge acct. receiv. | 359,941 | 314,003 |
| *Inventories | 294,054 | 293,073 |
| Prepaid expenses | 6,990 | 8,995 |
| Discont. oper. | — | 14,628 |
| Current Assets | $ 1,011,234 | $ 955,454 |
| Receiv. & investments | 19,930 | 22,984 |
| #Fixed assets | 499,249 | 435,421 |
| Other assets | 1,056 | 890 |
| Total Assets | $ 1,531,469 | $ 1,414,749 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank indebtedness | $ 5,768 | $ 8,450 |
| Long-term debt, curr. | 20,028 | 44,921 |
| Accts. payable | 193,374 | 202,667 |
| Dividends payable | 5,484 | 4,570 |
| Accruals | 134,544 | 120,274 |
| Inc. taxes payable | 5,077 | 14,541 |
| Loan payable to dir. | 2,205 | 2,364 |
| Short-term promissory notes | 126,800 | 104,733 |
| Discont. oper. | 23,169 | — |
| Curr. Liabilities | $ 516,449 | $ 502,500 |
| Long-term debt | 180,790 | 185,678 |
| Deferred inc. taxes | 9,677 | 2,235 |
| +Class A non-voting shares | 318,380 | 303,532 |
| +Common shares | 178 | 178 |
| For. curr. trans. adj. | 100 | 129 |
| Retained earnings | 521,807 | 420,497 |
| Treasury stock | (15,912) | — |
| Total Liabilities & Shareholders' Equity | $ 1,531,469 | $ 1,414,749 |

* At lower of cost (FIFO) and estimated net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 15.14 | 13.64 |
| Debt to Equity | 0.25 | 0.33 |
| Working Capital | $ 494,785,000 | $ 452,954,000 |
| Current Ratio | 1.96 | 1.90 |
| Shareholders' Equity | $ 824,553,000 | $ 724,336,000 |

## Carson Pirie Scott & Company

36 South Wabash Avenue
Chicago, Illinois 60603
(312) 641-8000

**Officers:** Peter S. Willmott, chairman of the board, president & chief executive officer; Dennis S. Bookshester, vice chairman & chief executive officer-Department Stores; Susan T. Congalton, sr. v.p.-finance & law; Bruce R. Rismiller, sr. v.p.-customer satisfaction; Leo J. Dembinski, division president-CPS Direct Marketing, Inc.; H. Lynn Hazlett, division president-Information and Communication Systems, Inc.; Russell H. Miller, division president-Arcadia Shops, Inc.; Barry J. C. Parket, division president-County Seat Stores, Inc.; Neil A. Ramo, division president-Department Stores.

**Directors:** Gregson L. Barker *, Robert L. Scott, III *, Benjamin D. Williams, III, John C. Archibald *, William C. Musham *, J. Scott Wolles *, John Dern, Jr., Carroll E. Ebert, Peter S. Willmott *, Dennis S. Bookshester *, Patricia A. McFate, Francis T. Vincent.

* Member of the Executive Committee

**Business Activities:** Engaged in department store and specialty retailing and mail order catalog sales.

**Divisions and Subsidiaries:**

Information and Communication Systems, Inc.
Applies computer technology to the Company's retail operations.

CPS Direct Marketing Inc.
Phoenix, Arizona
Mail-order catalogs.

County Seat Stores, Inc.
Operates 338 casual wear retail stores in 35 states.

Carson Pirie Scott
Operates 19 department stores in Illinois and Indiana.

Arcadia Shops, Inc.
Operates 21 specialty retail stores which sell novelty gifts, stationery and paper products, in Illinois, Indiana, and Wisconsin.

**Acquisition:**

Donaldsons, Inc.
Minneapolis, Minnesota
Operates 15 Donaldson department stores in Minnesota and Iowa.

**Transfer Agent(s):**

The First National Bank of Chicago
Shareholders Services Department
One First National Plaza
Chicago, Illinois 60670

**Stock Exchange(s):** New York, Midwest

**Ticker Symbol:** CRN

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 34 | 1984 | 21 |
| 1986 | 20 | 1983 | 24 |
| 1985 | 20 | | |

* Department stores only.

**Sales & Earnings**

| | Revenues † | Net Income |
|---|---|---|
| 1988 | $ 958,568,000 | $ (26,695,000) |
| 1987 | 788,357,000 | 18,722,000 |
| 1986 | 711,658,000 | 15,415,000 |
| 1985 | 598,134,000 | 27,174,000 |
| 1984 | 345,978,000 | 15,383,000 |

| | No. of Com. Share # | Earn. per Share # |
|---|---|---|
| 1988 | 10,905,000 | $ — |
| 1987 | 10,246,000 | 1.83 |
| 1986 | 9,919,000 | 1.86 |
| 1985 | 9,774,000 | 2.78 |
| 1984 | 8,728,000 | 1.59 |

(Loss)
† Includes leased departments.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.375 | — | — |
| 1987 | 0.675 | — | — |
| 1986 | 0.60 | — | 2-for-1 |
| 1985 | 0.60 | — | — |
| 1984 | 0.60 | — | — |

# Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 148,578,000 | $ 13.62 |
| 1987 | 230,484,000 | 22.50 |
| 1986 | 211,807,000 | 21.35 |
| 1985 | 194,672,000 | 19.92 |
| 1984 | 171,792,000 | 19.68 |

# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Revenues | $ 958,568,000 | $ 788,357,000 |
| Cost of sales | 639,032,000 | 521,098,000 |
| Expenses | 286,640,000 | 247,900,000 |
| Interest expense | 18,696,000 | 9,278,000 |
| Income before taxes | $ 14,200,000 | $ 10,081,000 |
| Income taxes | 4,775,000 | 3,117,000 |
| Inc.-cont. oper. | $ 9,425,000 | $ 6,964,000 |
| Inc. (loss)-discont. oper. | (36,120,000) | 11,758,000 |
| Net Income (Loss) | $ (26,695,000) | $ 18,722,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $22,700,000 in 1988 and $18,191,000 in 1987.

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ 2,537,000 | $ 2,308,000 |
| Receiv., net | 111,139,000 | 132,345,000 |
| *Inventories | 152,088,000 | 126,996,000 |
| Prepaid expenses | 20,590,000 | 13,599,000 |
| Net assets-discont. oper. | 35,785,000 | 75,244,000 |
| Current Assets | $ 322,139,000 | $ 350,492,000 |
| #Fixed assets | 227,215,000 | 139,864,000 |
| Investments & other assets | 25,467,000 | 17,153,000 |
| Intangibles | 80,746,000 | 14,895,000 |
| Net assets-CPS | — | 46,280,000 |
| Total Assets | $ 655,567,000 | $ 568,684,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 6,900,000 | $ 38,400,000 |
| Long-term debt, curr. | 1,976,000 | 7,351,000 |
| Accts. payable | 77,776,000 | 48,385,000 |
| Accruals | 93,500,000 | 43,961,000 |
| Income taxes | 22,026,000 | 20,508,000 |
| Deferred inc. taxes | 6,120,000 | 9,500,000 |
| Curr. Liabilities | $ 208,298,000 | $ 168,105,000 |
| Long-term debt | 241,130,000 | 104,772,000 |
| Deferred inc. taxes | 1,510,000 | 14,542,000 |
| Deferred gain | 33,701,000 | 36,609,000 |
| Other liab. | 12,850,000 | 14,172,000 |
| Redeem. pref. stock | 9,500,000 | — |
| +Common stock | 130,000 | 104,000 |
| Add. paid-in capital | 98,187,000 | 73,668,000 |
| For. curr. trans. adjust. | — | (692,000) |
| Retained earnings | 55,340,000 | 157,404,000 |
| Stock purch. loans | (5,079,000) | — |
| Total Liabilities & Shareholders' Equity | $ 655,567,000 | $ 568,684,000 |

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 8.12 |
| Sales to Inventories | 6.30 | 6.21 |
| Debt to Equity | 1.68 | 0.65 |
| Working Capital | $ 113,841,000 | $ 182,387,000 |
| Current Ratio | 1.55 | 2.08 |
| Shareholders' Equity | $ 148,578,000 | $ 230,484,000 |

## Carter Hawley Hale Stores, Inc.

550 South Flower Street
Los Angeles, California 90071
(213) 620-0150

**Officers:** Waldo H. Burnside, president & chief operating officer; Philip M. Hawley, chairman of the board & chief executive officer; Loyd E. Ellis, exec. v.p.; John M. Gailys, exec. v.p. & chief financial officer; Brian L. Fleming, sr. v.p.-accounting & taxes; Larry G. Petersen, sr. v.p.-planning; Edwin J. Holman, sr. v.p.-operations; Paul F. Chevalier, sr. v.p.-employee relations; J. Scott Meyer, sr. v.p.-store planning & construction; Thomas E. Brown, v.p.-credit; Theodore J. Cotti, v.p.-human resource development; E. Harlin Smith, v.p.-investor relations; Edward A. Wolfe, v.p.-loss prevention; Arthur G. Coons, v.p.-marketing; D. Clair Brumbaugh, v.p.-income tax; William E. Dombrowski, v.p.-corp. affairs; Robert J. Gilmartin, v.p.-real estate; Serena S. Kokjer, v.p.-management information services; Joel E. Montgomery, v.p.-human resource services; Dale G. Thune, v.p.-property & sales tax; Walter W. Tuthill, v.p. & general auditor; John F. Busey, v.p. & treasurer; Gary J. Peterson, v.p.-distribution; Robert L. Turner, v.p.-construction; Collette F. Ventrone, v.p.-store planning; James L. Vandeberg, secretary & corporate counsel.

**Directors:** Norman Barker, Jr.*, Edward W. Carter*, Prentis C. Hale, Philip M. Hawley*, Walter B. Gerken*, William B. Thalhimer, Jr.*, Benjamin F. Biaggini, Donn B. Miller*, Robert O. Anderson, Harold J. Haynes*, Waldo H. Burnside*, Caroline Leonetti Ahmanson, Myron Du Bain, Dennis C. Stanfill*.

* Member of the Executive Committee

**Business Activities:** The Company operates 112 department stores. Its five department store divisions are The Broadway-Southern California, The Broadway-Southwest, Emporium Capwell, and Weinstock's in California, Arizona, New Mexico, Colorado, Utah, and Nevada; and Thalhimers in Virginia, Tennessee, So. Carolina, and No. Carolina.

**Divisions and Subsidiaries:**

The Broadway-Southern California
3880 North Mission Road
Los Angeles, California 90031
(213) 227-2000
Operates 43 department stores in southern California.

The Broadway-Southwest
4000 Fiesta Mall
Mesa, Arizona 85202
(602) 263-7000
Operates 11 department stores in Arizona, Colorado, Nevada and New Mexico.

Weinstock's
Downtown Plaza
Sacramento, California 95813
(916) 449-8888
Operates 12 department stores in California, Nevada and Utah.

Emporium Capwell
835 Market Street
San Francisco, California 94103
(415) 764-2222
Operates 22 department stores in the greater San Francisco Bay Area.

Thalhimers
615 East Broad Street
Richmond, Virginia 23261
(804) 643-4211
Operates 24 department stores in Virginia, Tennessee, North Carolina and South Carolina.

**Transfer Agent(s):**

Security Pacific National Bank
Cororate Services Division 2-70
P.O. Box 60228, Terminal Annex
Los Angeles, California 90060

**Stock Exchange(s):** New York, Pacific, London

**Ticker Symbol:** CHH

**Number of Stores:**

| | Dept. Stores | Specialty Stores |
|---|---|---|
| 1988 | 112 | — |
| 1987 | 112 | — |
| 1986 | 114 | 188 |
| 1985 | 128 | 156 |
| 1984 | 125 | 127 |

**Sales & Earnings**

| | Net Sales + ('000's) | Net Income † ('000's) |
|---|---|---|
| 1988 | $ 2,617,143 | $ 17,660 |
| 1987x | 1,164,338 | (170,873) |
| 1986 | 2,995,977 | 4,214 |
| 1985 | 2,889,950 | 48,025 |
| 1984 | 2,749,910 | 89,670 |

| | No. of Com. Shares | Earn. per Share # † |
|---|---|---|
| 1988 | 22,592,000 | $ 0.72 |
| 1987x | 20,367,000 | — |
| 1986 | 20,042,000 | — |
| 1985 | 19,559,000 | 0.92 |
| 1984* | 19,067,000 | 2.75 |

(Loss)
x 26 weeks.
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary losses of $1,750,000 ($0.08 per share) in 1988 and $29,253,000 in 1986.
# Based on the weighted average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.305 | — | |
| 1986 | 1.22 | — | — |
| 1985 | 1.22 | — | — |
| 1984 | 1.22 | — | — |

**Common Stock Equity**

| | Total Equity | Eqcity Per Share |
|---|---|---|
| 1988 | $ (230,191,000) | $ — |
| 1987 | 145,772,000 | 7.16 |
| 1986 | 324,207,000 | 16.18 |
| 1985 | 359,354,000 | 18.37 |
| 1984 | 348,166,000 | 18.26 |

(Deficiency)

**Income Account * ('000's)**

| Year Ended | 7/30/88 (26 weeks) | 8/1/87 |
|---|---|---|
| Net sales | $ 2,617,143 | $ 1,164,338 |
| Cost of sales | 1,879,664 | 919,764 |
| Expenses | 587,869 | 349,185 |
| Gain on sale of shopping sale interest | (30,000) | — |
| Costs of oper. programs | 28,500 | 15,700 |
| Interest expense | 135,600 | 28,134 |
| Loss on sale of John Wanamaker | — | 4,000 |
| Costs of restruc. prog. | — | 23,150 |
| Income (loss) bef. taxes | $ 15,510 | $ (175,595) |
| Income taxes (credit) | 6,200 | (68,300) |
| Inc. (loss) - cont. oper. | $ 9,310 | $ (107,295) |
| Loss - discont. oper. | — | (63,578) |
| Net Income (Loss) | $ 9,310 | $ (170,873) |
| Extraord. loss | (1,750) | — |
| Cum. effect of change in accounting method | 10,100 | — |
| Net Income (Loss) & extraord. loss | $ 17,660 | $ (170,873) |

* Included in Costs and Expenses, Depreciation and Amortization: $51,829,000 in 1988 and $24,311,000 in 1987.

**Assets ('000's)**

| As of | 7/30/88 | 8/1/87 |
|---|---|---|
| Cash | $ 24,643 | $ 14,885 |
| Accts. receiv., net | 473,826 | 546,819 |
| *Inventories | 536,656 | 432,866 |
| Deferred inc. taxes | 11,825 | 12,513 |
| Other curr. assets | 27,833 | 28,847 |
| Current Assets | $ 1,074,783 | $ 1,035,930 |
| #Fixed assets | 535,661 | 502,083 |
| Other assets | 61,178 | 33,635 |
| Net assets-spec. store div. | — | 350,438 |
| Total Assets | $ 1,671,622 | $ 1,922,086 |

**Liabilities ('000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 4,364 | $ 7,342 |
| Accts. payable | 306,846 | 219,721 |
| Accruals | 177,648 | 224,624 |
| Income taxes | 12,867 | 12,119 |
| Curr. Liabilities | $ 501,725 | $ 463,806 |
| Long-term debt | 1,177,248 | 769,820 |
| Cap. lease oblig. | 83,168 | 112,042 |
| Other liab. | 62,042 | 42,217 |
| Def. inc. taxes | 77,630 | 88,429 |
| Redeem pref. stock | — | 300,000 |
| +Common stock | 226 | 101,837 |
| Add. paid-in capital | 581,349 | 174,404 |
| Retained earnings (deficit) | (811,766) | (130,469) |
| Total Liabilities & Shareholders' Equity | $ 1,671,622 | $ 1,922,086 |

* At lower of cost or market as determined by the retail method on the LIFO basis.
# Less accumulated depreciation and amortization.
+ $0.01 par value; $5 par value in 1987.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.59 | — |
| %Net Income to Sales | 0.67 | — |
| %Net Income to Equity | — | — |
| Sales to Inventories | 4.88 | 2.69 |
| Debt to Equity | — | 6.05 |
| Working Capital | $ 573,058,000 | $ 572,124,000 |
| Current Ratio | 2.14 | 2.23 |
| Shareholders' Equity (Deficiency) | $ (230,191,000) | $ 145,772,000 |

## Casey's General Stores, Inc.

1299 N.E. Broadway Avenue
Des Moines, Iowa 50313
(515) 263-3700

**Officers:** Donald F. Lamberti, president & chief executive officer; Ronald M. Lamb, v.p. & chief operating officer; Steven C. Adams, v.p.-operations; Thomas W. Pollock, v.p.-store development; Douglas K. Shull, treasurer & chief financial officer; John G. Harmon, secretary.

## Casey's General Stores, Inc.

**Directors:** Walter J. Carlson, Ronald M. Lamb, George A. Doerner, Donald F. Lamberti, John R. Fitzgibbon, John G. Harmon, Kenneth H. Haynie, Douglas K. Shull.

**Business Activities:** Operates convenience-style general stores under the name "Casey's General Store" in eight Midwestern states, primarily Iowa and Missouri. Of the 653 Casey's General Stores in operation, 446 are owned or leased by the Company and 207 are owned or leased by franchisees.

**Transfer Agent(s):**

United Missouri Bank of Kansas City, N.A.
P.O. Box 410064
Kansas City, Missouri 64141

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CASY (NASDAQ)

**Number of Stores:***

| | | | |
|---|---|---|---|
| 1988 | 446 | 1986 | 312 |
| 1987 | 380 | | |

* Company-owned or leased.

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 336,381,000 | $ 10,551,000 |
| 1987 | 283,892,000 | 8,609,000 |
| 1986 | 280,275,000 | 6,249,000 |
| 1985 | 247,177,000 | 4,143,000 |
| 1984 | 216,774,000 | 2,347,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 11,690,000 | $ 0.90 |
| 1987 | 11,777,000 | 0.73 |
| 1986 | 11,188,000 | 0.56 |
| 1985 | 9,165,000 | 0.45 |
| 1984 | 7,816,000 | 0.30 |

† Including extraordinary gain of $70,000 ($0.01 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Grocery & gen. merch. | $ 139,429,904 | $ 115,266,017 |
| Gasoline | 129,519,442 | 105,849,166 |
| Total | $ 268,949,346 | $ 221,115,183 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | 3-for-2 & 2-for-1 |
| 1985 | — | — | — |
| 1984 | — | — | 2,900-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 62,408,000 | $ 5.34 |
| 1987 | 56,883,000 | 4.83 |
| 1986 | 47,752,000 | 4.27 |
| 1985 | 22,108,000 | 2.41 |
| 1984 | 17,180,000 | 2.20 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account**

| Year ended Apr. 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 336,380,782 | $ 283,891,823 |
| Franchise revenue | 4,585,572 | 4,600,824 |
| Total income | $ 340,966,354 | $ 288,492,647 |
| Cost of sales | 263,606,999 | 224,177,278 |
| Expenses | 51,152,201 | 40,254,598 |
| Depreciation & amortization | 6,758,162 | 5,888,031 |
| Interest expense | 1,776,491 | 1,170,050 |
| Income before taxes | $ 17,672,501 | $ 17,002,690 |
| Income taxes | 7,122,000 | 8,394,000 |
| Net Income | $ 10,550,501 | $ 8,608,690 |

**Assets**

| As of Apr. 30 | 1988 | 1987 |
|---|---|---|
| Cash & repurch. agree. | $ 175,677 | $ 104,591 |
| Short-term invest. | 15,060,895 | 27,194,159 |
| Accts. receiv., net | 2,095,498 | 1,497,275 |
| *Inventories | 18,741,246 | 13,747,311 |
| Prepaid expenses | 553,980 | 666,845 |
| Recov. inc. taxes | 2,073,178 | — |
| Current Assets | $ 38,700,474 | $ 43,210,181 |
| #Fixed assets | 93,597,055 | 71,659,256 |
| Other assets | 4,638,113 | 3,530,892 |
| Total Assets | $ 136,935,642 | $ 118,400,329 |

**Liabilities**

| | | |
|---|---|---|
| Note payable | $ 5,000,000 | $ — |
| Long-term debt, curr. | 548,152 | 670,014 |
| Accts. payable | 16,112,572 | 10,033,203 |
| Accruals | 2,305,799 | 2,043,142 |
| Income taxes | — | 889,085 |
| Curr. Liabilities | $ 23,966,523 | $ 13,635,444 |
| Long-term debt | 42,898,585 | 42,687,446 |
| Deferred income | 377,580 | 566,000 |
| Deferred inc. taxes | 7,285,000 | 4,531,000 |
| Other liability | — | 97,430 |
| +Common stock | 30,712,398 | 30,712,398 |
| Retained earnings | 36,721,112 | 26,170,611 |
| Treasury stock | (5,025,556) | — |
| Total Liabilities & Shareholders' Equity | $ 136,935,642 | $ 118,400,329 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.25 | 5.99 |
| %Net Income to Sales | 3.14 | 3.03 |
| %Net Income to Equity | 16.91 | 15.13 |
| Sales to Inventories | 17.95 | 20.65 |
| Debt to Equity | 0.78 | 0.76 |
| Working Capital | $ 14,733,951 | $ 29,574,737 |
| Current Ratio | 1.61 | 3.17 |
| Shareholders' Equity | $ 62,407,954 | $ 56,883,009 |

## The Cato Corporation

8100 Denmark Road
Charlotte, North Carolina 28217
(704) 554-8510

Mailing address:
P.O. Box 34216
Charlotte, North Carolina 28234

**Officers:** Wayland H. Cato, Jr., chairman & president; Edgar T. Cato, vice chairman; James W. Emry, exec. v.p.-merchandise; John W. DeStefano, exec. v.p.-stores; Thomas H. Hicks, exec. v.p.-finance & administration; Joseph T. Cotner, sr. v.p.-real estate; John P. Derham Cato, sr. v.p.-apparel services; Clarice Cato Goodyear, sr. v.p.-administration & human resources; Ashley A. Johnson, sr. v.p.-store design & construction; Patrick J. McIntyre, sr. v.p. & chief information officer; Robert M. Sandler, sr. v.p. & corp. controller; Rex L. Steffey, sr. v.p.-merchandise administration; Richard C. Wilson, sr. v.p.-distribution & traffic; Hubert H. Thomason, secretary.

**Directors:** Wayland H. Cato, Jr., chairman; Edgar T. Cato, Clarice C. Goodyear, John P. Derham Cato, Geroge S. Currin, F. Kenneth Iverson, James V. Johnson, Larrimore Wright.

**Business Activities:** Operates 588 women's specialty stores featuring popular-priced women's apparel for the fashion conscious junior, missy and large size customer, in non-metropolitan markets in 26 states, primarily in the South and Southwest. Stores operate under the names "Cato Fashions," "Cato Plus" and "$6 & $8 Fashions."

**Transfer Agent(s):**

First Union National Bank
Securities Transfer Department, CMG-5
Charlotte, North Carolina 28288

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CACOA (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 588 | 1986 | 427 |
| 1988 | 515 | 1985 | 385 |
| 1987 | 471 | | |

**Sales & Earnings**

| | Revenues + | Net Income † |
|---|---|---|
| 1988 | $ 233,285,000 | $ (4,852,000) |
| 1987 | 203,968,000 | 2,174,000 |
| 1986 | 183,302,000 | 8,047,000 |
| 1985 | 156,876,000 | 6,827,000 |
| 1984 | 130,788,000 | 5,662,000 |

| | No. of Com. Shares # | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 14,652,000 | $ — |
| 1987 | 14,644,000 | 0.15 |
| 1986 | 14,253,000 | 0.57 |
| 1985 | 14,380,000 | 0.48 |
| 1984 | 14,373,000 | 0.39 |

(Loss)
+ Of continuing operations only.
† Including extraordinary loss of $473,000 ($0.03 per share) in 1987.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.08 | — | — |
| 1987 | 0.06 | — | — |
| 1986 | — | — | 30-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 36,777,000 | $ 2.51 |
| 1987 | 42,793,000 | 4.72 |
| 1986 | 35,231,000 | 2.47 |
| 1985 | 29,322,000 | 2.04 |
| 1984 | 22,709,000 | 1.58 |

‡ Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 223,229 | $ 193,160 |
| Other income | 10,056 | 10,808 |
| Total income | $ 233,285 | $ 203,968 |
| Cost of sales | 155,286 | 133,307 |
| Expenses | 74,271 | 63,563 |
| Depreciation & amortization | 3,727 | 2,901 |
| Interest expense | 2,944 | 2,806 |
| Restruc. expense | 4,307 | — |
| Income (loss) bef. taxes | $ (7,250) | $ 1,391 |
| Income taxes (credit) | (3,216) | 575 |
| Inc. (loss) - cont. oper | $ (4,034) | $ 816 |
| Loss - discont. oper. | (818) | (75) |
| Cum. effect of change in accounting method. | — | 1,433 |
| Net Income (Loss) | $ (4,852) | $ 2,174 |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 4,089 | $ 4,253 |
| Accts. receiv., net | 26,611 | 26,705 |
| Ref'und inc. taxes | 3,465 | 3,117 |
| *Inventories | 29,280 | 27,775 |
| Prepaid expenses | 2,545 | 2,319 |
| Current Assets | $ 65,990 | $ 64,169 |
| #Fixed assets | 35,435 | 35,830 |
| Other assets | 2,311 | 2,638 |
| Total Assets | $ 103,736 | $ 102,637 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 5,300 | $ 5,000 |
| Accts. payable | 21,061 | 16,180 |
| Accruals | 3,042 | 2,075 |
| Income taxes | — | 743 |
| Curr. Liabilities | $ 29,403 | $ 23,998 |
| Long-term debt | 30,200 | 29,000 |
| Deferred inc. taxes | 6,751 | 6,274 |
| Other liabilities | 605 | 572 |
| +Class A common stock | 503 | 503 |
| +Class B common stock | 186 | 186 |
| Add. paid-in capital | 10,555 | 10,550 |
| Retained earnings | 32,406 | 38,431 |
| Treasury stock | (6,873) | (6,877) |
| Total Liabilities & Shareholders' Equity | $ 103,736 | $ 102,637 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.03 1/3 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 1.73 |
| Sales to Inventories | 7.62 | 6.95 |
| Debt to Equity | 0.97 | 0.79 |
| Working Capital | $ 36,587,000 | $ 40,171,000 |
| Current Ratio | 2.24 | 2.67 |
| Shareholders' Equity | $ 36,777,000 | $ 42,793,000 |

## Champion Products Inc.

(Acquired by Sara Lee Corporation on April 28, 1989.)

3141 Monroe Avenue
Rochester, New York 14618
(716) 385-3200

Mailing address:
P. O. Box 850
Rochester, New York 14603

**Officers:** John J. Tanis, chairman; Roger Holland, president & chief exec. officer; Harold S. Feinbloom, sr. v.p.; Donald R. Sherman, sr. v.p. & chief financial officer; Fred W. Z. Lulof, v.p. & gen. mgr.-retail & international; Robert J. Powell, secretary & general counsel; Ambrose J. Parkion, v.p. & gen. mgr.-athletic & institutional; Thomas D. Sheehy, v.p.-operations; John F. Hackett, v.p.-human resources & treasurer; Kenneth R. Knight, v.p.-corporate services; William J. Woodard, controller.

**Directors:** Angelo A. Costanza, Harold S. Feinbloom *, Robert Van Buren, Sanford J. Liebschutz, John J. Tanis *, John M. Emery, Roger Holland *.

* Member of the Executive Committee

**Business Activities:** Operates a chain of factory outlet stores located in New York, Massachusetts and Oregon. Engaged in the production, processing, and distribution of athletic uniforms, physical education wear, campus casual wear, camp wear, and leisure wear.

**Subsidiary:**

Champion Outerwear Company
Fitzgerald, Georgia
An apparel manufacturing company specializing in jackets and outerwear.

**Joint Venture:**

Champion Products, GmbH
(50%-owned)
Munich, West Germany
Operates a chain of franchised Champion Shops in West Germany.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 23 | 1984 | 20 |
| 1986 | 20 | 1983 | 20 |
| 1985 | 20 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1987 | $ 177,545,000 | $ 6,961,000 |
| 1986 | 141,008,000 | 4,932,000 |
| 1985 | 118,414,000 | 2,363,000 |
| 1984 | 112,483,000 | 1,660,000 |
| 1983 | 105,897,000 | 1,820,000 |

| | No. of Com. Shares † | Earn. per Share †‡ |
|---|---|---|
| 1987 | 3,412,033 | $ 2.05 |
| 1986 | 3,381,344 | 1.47 |
| 1985 | 3,338,660 | 0.72 |
| 1984 | 3,278,702 | 0.51 |
| 1983 | 3,275,042 | 0.54 |

† Including extraordinary gain of $213,000 ($0.07 per share) in 1984.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.40 | — | 2-for-1 |
| 1986 | 0.36 | — | — |
| 1985 | 0.36 | — | — |
| 1984 | 0.36 | — | — |
| 1983 | 0.36 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 50,072,000 | $ 14.68 |
| 1986 | 43,635,000 | 12.90 |
| 1985 | 39,129,000 | 11.72 |
| 1984 | 37,507,000 | 11.44 |
| 1983 | 37,007,000 | 11.30 |

‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended Dec. 31 | 1987 | 1986 |
|---|---|---|
| Net sales | $ 177,545,000 | $ 141,008,000 |
| Cost of sales | 130,124,000 | 104,601,000 |
| Expenses | 31,824,000 | 25,671,000 |
| Interest expense | 3,013,000 | 1,141,000 |
| Income bef. taxes | $ 12,584,000 | $ 9,595,000 |
| Income taxes | 5,623,000 | 4,663,000 |
| Net Income | $ 6,961,000 | $ 4,932,000 |

* Included in Costs and Expenses, Depreciation: $3,229,000 in 1987 and $2,059,000 in 1986.

**Assets**

| As of Dec. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 5,423,000 | $ 4,078,000 |
| Accts. receiv., net | 27,089,000 | 20,345,000 |
| *Inventories | 44,833,000 | 33,596,000 |
| Other assets | 1,614,000 | 1,372,000 |
| Current Assets | $ 78,959,000 | $ 59,391,000 |
| #Fixed assets | 24,496,000 | 21,277,000 |
| Other assets | 1,755,000 | 1,048,000 |
| Total Assets | $ 105,210,000 | $ 81,716,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,062,000 | $ 1,859,000 |
| Accts. payable | 6,590,000 | 9,955,000 |
| Notes payable | — | 2,417,000 |
| Accrued taxes | 984,000 | 744,000 |
| Accrued payroll | 6,297,000 | 5,041,000 |
| Other liabilities | 4,025,000 | 3,401,000 |
| Curr. Liabilities | $ 18,958,000 | $ 23,417,000 |
| Long-term debt | 33,908,000 | 12,974,000 |
| Def. inc. taxes | 2,272,000 | 1,690,000 |
| +Common stock | 3,572,000 | 1,773,000 |
| Add paid-in capital | 11,580,000 | 12,572,000 |
| Retained earnings | 36,044,000 | 30,442,000 |
| Treasury stock | (1,124,000) | (1,152,000) |
| Total Liabilities & Shareholders' Equity | $ 105,210,000 | $ 81,716,000 |

* At lower of cost (LIFO) or market cost.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.09 | 6.80 |
| %Net Income to Sales | 3.92 | 3.50 |
| %Net Income to Equity | 13.90 | 11.30 |
| Sales to Inventories | 3.96 | 4.20 |
| Debt to Equity | 0.70 | 0.40 |
| Working Capital | $ 60,001,000 | $ 35,974,000 |
| Current Ratio | 4.16 | 2.54 |
| Shareholders' Equity | $ 50,072,000 | $ 43,635,000 |

## Charming Shoppes, Inc.

450 Winks Lane
Bensalem, Pennsylvania 19020
(215) 245-9100

## Charming Shoppes, Inc.

**Officers:** David V. Wachs, chairman of the board, chief exec. officer & president; Steven Sidewater, vice chairman; Philip Wachs, vice chairman & exec. v.p.-real estate; Ellis Wachs, sr. exec. v.p.; Richard DeRose, sr. exec. v.p.; Mordechay Kafry, exec. v.p.-merchandise procurement; Lionel Savadove, exec. v.p. & general counsel; Samuel Sidewater, exec. v.p.-merchandising; Ivan Szeftel, exec. v.p.-finance; Bernard Brodsky, v.p., treasurer & asst. secretary; Howard Edels, v.p.-management information systems; Gerald Brahms, v.p.-store operations; Anthony DiCerbo, v.p.-store operations; Ben Mento, v.p. & dir.-store operations; William Bilhardt, v.p.-human resources; Seymour Cohen, v.p.-store openings & expansions; Anthony DeSabato, v.p. & corp. dir.-human resources; John DeSanto, v.p.-design & construction; Manuel Ginsburg, v.p.-credit; Jonathon Graub, v.p.-real estate; David Hyman, v.p.-traffic logistics; Yvette A. Kaplan, v.p.-product development; Kathleen H. Lieberman, v.p. & associate general counsel; Robert Price, v.p.-facilities; Debra Ritter, v.p.-merchandise planning; Paul H. Robins, v.p.-purchasing; Eric M. Specter, v.p. & controller; Paul E. Toub, v.p.-advertising; Dominick J. Trapasso, v.p.-distribution; Michael Wachs, v.p.-real estate; Michael Wenger, v.p.-merchandising; Jeffrey Zelenko, v.p.-merchandising; Nicholas F. Ferrara, v.p.-merchandising; Michael G. Donabauer, v.p.-marketing; Terry Fogarty, v.p.-store operations; Charles Rosen, III, v.p.-merchandising; Joseph M. Arditi, v.p.-store operations.

**Directors:** David V. Wachs, chairman; Steven Sidewater, Philip Wachs, Ellis Wachs, Samuel Sidewater, Robert A. Fox, Mitchell G. Leibovitz, Myles H. Tanenbaum.

**Business Activities:** Operates a chain of women's specialty stores specializing in the retail sale of moderately priced junior, misses and women's size sportswear, dresses, coats, lingerie and accessories, primarily under the names "Fashion Bug" and "Fashion Bug Plus," in 36 states throughout the East, South, and Midwest.

**Transfer Agent(s):**

Mellon Bank (East) N.A.
Pittsburgh, Pennsylvania

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CHRS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 926 | 1986 | 550 |
| 1988 | 840 | 1985 | 444 |
| 1987 | 678 | | |

**Sales & Earnings**

| | Net Sales # | Net Income |
|---|---|---|
| 1989 | $ 729,382,000 | $ 38,151,000 |
| 1988 | 642,064,000 | 42,585,000 |
| 1987 | 525,157,000 | 40,469,000 |
| 1986 | 393,976,000 | 28,726,000 |
| 1985 | 299,262,000 | 20,226,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 50,478,087 | $ 0.76 |
| 1988 | 50,348,917 | 0.85 |
| 1987 | 49,978,306 | 0.81 |
| 1986 | 48,753,382 | 0.59 |
| 1985 | 48,038,256 | 0.42 |

# Includes other income.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.12 | — | — |
| 1988 | 0.12 | — | |
| 1987 | 0.10 | — | 3-for-2 |
| 1986 | 0.09 | — | 3-for-2 |
| 1985 | 0.08 | — | 3-for-2 |

‡ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 228,941,000 | $ 4.54 |
| 1988 | 193,949,000 | 3.85 |
| 1987 | 153,764,000 | 3.08 |
| 1986 | 115,487,000 | 2.37 |
| 1985 | 89,168,000 | 1.86 |

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account ***

| | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 725,197,000 | $ 638,638,000 |
| Other income | 4,185,000 | 3,426,000 |
| Total income | $ 729,382,000 | $ 642,064,000 |
| Cost of sales | 508,219,000 | 432,798,000 |
| Expenses | 164,794,000 | 139,742,000 |
| Income before taxes | $ 56,369,000 | $ 69,524,000 |
| Income taxes | 18,218,000 | 26,939,000 |
| Net Income | $ 38,151,000 | $ 42,585,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $17,892,000 in 1989 and $13,644,000 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash and cert. of deposit | $ 114,293,000 | $ 33,433,000 |
| *Inventories | 108,000 | 97,836,000 |
| Other curr. assets | 25,660,000 | 19,613,000 |
| Current Assets | $ 247,953,000 | $ 150,882,000 |
| #Fixed assets | 139,691,000 | 122,425,000 |
| Long-term invest. | 9,220,000 | 8,279,000 |
| Other assets | 10,103,000 | 9,511,000 |
| Total Assets | $ 406,967,000 | $ 291,097,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 332,000 | $ 41,000 |
| Accts. payable | 86,002,000 | 48,595,000 |
| Accruals | 32,811,000 | 27,874,000 |
| Income taxes | 4,200,000 | 962,000 |
| Current Liabilities | $ 123,345,000 | $ 77,472,000 |
| Long-term debt | 32,168,000 | 2,050,000 |
| Deferred taxes | 22,513,000 | 17,626,000 |
| +Common stock | 4,996,000 | 5,029,000 |
| Add. paid-in capital | 22,185,000 | 20,643,000 |
| Retained earnings | 209,260,000 | 177,154,000 |
| Deferred employee compensation | (6,889,000) | (8,266,000) |
| Subscrip. receivable | (611,000) | (611,000) |
| Total Liabilities & Shareholders' Equity | $ 406,967,000 | $ 291,097,000 |

* At lower of cost or market; by the retail method (average).
# Less accumulated depreciation & amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.77 | 10.89 |
| %Net Income to Sales | 5.26 | 6.67 |
| %Net Income to Equity | 16.66 | 21.96 |
| Sales to Inventories | 6.71 | 6.53 |
| Debt to Equity | 0.14 | 0.01 |
| Working Capital | $ 124,608,000 | $ 73,410,000 |
| Current Ratio | 2.01 | 1.95 |
| Shareholders' Equity | $ 228,941,000 | $ 193,949,000 |

## The Cherokee Group

9545 Wentworth Street
Sunland, California 91040
(818) 951-1002

NOTE: The Company went private via a leveraged buyout through Green Acquisition Company on May 10, 1989.

**Officers:** James P. Argyropoulos, chairman of the board & chief exec. officer; Robert Margolis, president & chief operating officer; Cary D. Cooper, exec. v.p.; Mark Taxe, pres.-Shoe Division; Terrance J. Smith, v.p. & chief financial officer; Jay L. Kester, marketing pres.-Apparel Division; Joe Gaspers, president-Licensing Division; Dan Zuckerman, secretary & exec. v.p.-Franchise Division; Grace Condos, pres.-Retail Division; Mel Matsui, pres.-Code Bleu.

**Directors:** James P. Argyropoulos, chairman; Robert Margolis, Arthur P. Argyris, Peter D. Tamny, Edwin W. Steidle, Cary D. Cooper.

**Business Activities:** Operates 11 retail stores and one outlet store in southern California under the name Cherokee. The Company has also franchised the operation of seven Cherokee stores in five eastern states. The vast majority of the apparel and footwear sold by the Cherokee stores is manufactured by the Company.

**Divisions:**

Apparel Division
Shoe Division
Licensing Division
Stores Division
Franchise Division
Code Bleu Division

**Subsidiaries:**

Cherokee Apparel Corporation
Cherokee Trading Corporation
Cherokee World Wide Corporation
Cherokee Franchising Corporation

Priority Finishing Corporation (81% owned)
Processes specialty textiles.

Chutes Corporation (80% owned)
Seattle, Washington
Imports and sells young men's, boys' and juniors' sportswear under the Code Bleu name.

Pallmark International
Imports and markets women's, children's and athletic shoes to major retailers.

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 12 | 1985 | 9 |
| 1986 | 9 | | |

* Company-operated only.

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1987 | $ 139,631,000 | $ 10,397,000 |
| 1986 | 104,001,000 | 6,792,000 |
| 1985 | 83,634,000 | 4,269,000 |
| 1984 | 72,413,000 | 3,059,000 |
| 1983 | 48,299,000 | 1,676,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1987 | 12,476,007 | $ 0.83 |
| 1986 | 11,255,174 | 0.60 |
| 1985 | 11,374,092 | 0.38 |
| 1984 | 11,388,460 | 0.24 |
| 1983 | 8,028,152 | 0.21 |

† Including extraordinary gain of $323,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | — | — | — |
| 1986 | — | — | 2-for-1 |

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 71,372,000 | $ 5.72 |
| 1986 | 26,645,000 | 2.37 |
| 1985 | 19,163,000 | 1.68 |
| 1984 | 15,354,000 | 1.35 |
| 1983 | 4,959,000 | 0.62 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

### Income Account* (000's)

| Year ended | 11/28/87 | 11/29/86 |
|---|---|---|
| Net sales | $ 139,631 | $ 104,001 |
| Cost of sales | 90,551 | 65,123 |
| Expenses | 30,362 | 23,535 |
| Factoring commission & int. exp. | 1,694 | 1,533 |
| Interest income | (1,013) | — |
| Interest expense | 169 | — |
| Other income | (1,079) | (48) |
| Income bef. taxes | $ 18,947 | $ 13,858 |
| Income taxes | 8,550 | 7,066 |
| Net Income | $ 10,397 | $ 6,792 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,283,000 in 1987 and $903,000 in 1986.

### Assets (000's)

| As of | 11/28/87 | 11/29/86 |
|---|---|---|
| Cash | $ 20,664 | $ 896 |
| Accts. receiv., net | 28,303 | 22,690 |
| *Inventories | 25,273 | 18,065 |
| Net invest.-direct fin. lease | 326 | 304 |
| Prepaid expenses | 1,937 | 1,362 |
| Current Assets | $ 76,503 | $ 43,317 |
| #Fixed assets | 12,020 | 2,505 |
| Net invest.-direct fin. lease | 420 | 746 |
| Other assets | 1,222 | 1,182 |
| Other investments | 277 | 304 |
| Intangibles | 1,975 | 2,025 |
| Total Assets | $ 92,417 | $ 50,079 |

### Liabilities (000's)

| | | |
|---|---|---|
| Bank loans | $ 3,635 | $ 10,305 |
| Long-term debt | 467 | 280 |
| Accts. payable & accruals | 10,724 | 7,890 |
| Income taxes | 1,782 | 1,327 |
| Deferred inc. taxes | 1,006 | — |
| Curr. Liabilities | $ 17,614 | $ 19,802 |
| Long-term debt | 1,738 | 955 |
| Deferred inc. taxes | 1,524 | 2,677 |
| Minority interest | 169 | — |
| +Common stock | 42,266 | 8,036 |
| Retained earnings | 29,106 | 18,709 |
| Deferred compensation | — | (100) |
| Total Liabilities & Shareholders' Equity | $ 92,417 | $ 50,079 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 13.57 | 13.32 |
| %Net Income to Sales | 7.45 | 6.53 |
| %Net Income to Equity | 14.57 | 25.49 |
| Sales to Inventories | 5.52 | 5.76 |
| Debt to Equity | 0.08 | 0.43 |
| Working Capital | $ 58,889,000 | $ 23,515,000 |
| Current Ratio | 4.34 | 2.19 |
| Shareholders' Equity | $ 71,372,000 | $ 26,645,000 |

## Child World, Inc.

(82.1%-owned by CNC Holding Corporation)

25 Littlefield Street
Avon, Massachusetts 02322
(508) 588-7300

**Officers:** Dennis H. Barron, chairman of the board; Peter J. Hayes, president & chief executive officer; Richard J. Ryan, executive v.p. & chief financial officer; John R. Maxwell, exec. v.p.; Thomas T. S. Kaung, sr. v.p.; Leo X. Crowley, sr. v.p.; David B. Stewart, sr. v.p.; Larry E. Cook, vice president; Herbert J. Hodus, vice president; David J. Nace, vice president; John Nugent, vice president; Cathy Wells, vice president; Tracy L. Burmeister, treasurer; John F. Downie, v.p. & clerk; Joseph M. Unger, vice president.

**Directors:** Dennis H. Barron, chairman of the board; Jeffrey A. Cole, Thomas V. Bonoma, Hugh G. Farrington, Thomas H. Lee, Peter J. Hayes.

**Business Activities:** Operates 163 toy supermarkets under the names "Child World" and "Children's Palace" in 31 states in the Northeast, Midwest and South. These stores offer a broad assortment of merchandise including toys, bicycles, learning aids, baby furniture, sporting goods and outdoor play equipment.

**Transfer Agent(s):**

AmeriTrust Company, N.A.
Cleveland, Ohio 44101

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CWLD (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 163 | 1986 | 119 |
| 1988 | 152 | 1985 | 104 |
| 1987 | 134 | | |

NOTE: CNC Holding Corporation and its wholly-owned subsidiaries own approximately 82.1% of the outstanding stock of Child World, Inc. as of Jan. 28, 1989. Prior to Aug. 30, 1985, CNC owned all of the outstanding stock of the Company.

### Sales & Earnings

| | Net Sales | Net Income † |
|---|---|---|
| 1989 | $ 807,067,000 | $ 12,571,000 |
| 1988 | 749,127,000 | 14,339,000 |
| 1987 | 628,834,000 | 10,949,000 |
| 1986 | 513,148,000 | 9,368,000 |
| 1985†* | 435,740,000 | 8,402,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 11,466,000 | $ 1.10 |
| 1988 | 11,501,000 | 1.00 |
| 1987 | 11,500,000 | 0.95 |
| 1986 | 10,286,000 | 0.91 |
| 1985†* | 11,500,000 | 0.73 |

* 53 weeks.
† Pro forma. Gives effect to the acquisition as if it had occurred on Jan. 29, 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 207,517,000 | $ 18.10 |
| 1988 | 196,164,000 | 17.06 |
| 1987 | 181,808,000 | 15.81 |
| 1986 | 170,859,000 | 16.61 |
| 1985 | 168,696,000 | 14.67 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Income Account* (000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 807,067 | $ 749,127 |
| Cost of sales | 562,181 | 532,871 |
| Expenses | 194,263 | 176,289 |
| Depreciation & amortization | 14,193 | 12,706 |
| Restruc. charges | 7,550 | — |
| Interest expense | 6,325 | 4,796 |
| Income bef. taxes | $ 22,555 | $ 22,465 |
| Income taxes | 9,984 | 10,979 |
| Cum. effect of change in accntg. meth. | — | (2,853) |
| Net Income | $ 12,571 | $ 14,339 |

### Assets (000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 10,604 | $ 67,107 |
| Accts. receiv., net | 1,621 | 1,716 |
| *Inventories | 239,176 | 208,961 |
| Prepaid expenses | 6,605 | 4,315 |
| Current Assets | $ 258,006 | $ 282,099 |
| #Fixed assets | 55,092 | 51,250 |
| Leased prop. under cap. leases | 22,674 | 25,772 |
| Other assets | 430 | 475 |
| Intangibles | 72,047 | 74,067 |
| Total Assets | $ 408,249 | $ 433,663 |

### Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt., curr. | $ 400 | $ 400 |
| Cap. lease oblig., curr. | 2,167 | 2,095 |
| Accts. payable | 136,541 | 172,416 |
| Accruals | 29,285 | 26,653 |
| Income taxes | 4,975 | 6,131 |
| Curr. Liabilities | $ 173,368 | $ 207,695 |
| Long-term debt | 4,700 | 4,100 |
| Cap. lease oblig. | 19,962 | 20,136 |
| Deferred inc. taxes | 2,702 | 2,568 |
| +Common stock | 1,150 | 1,150 |
| Add. paid-in capital | 158,798 | 158,798 |
| Retained earnings | 48,787 | 36,216 |
| Treasury stock | (1,218) | — |
| Total Liabilities & Shareholders' Equity | $ 408,249 | $ 433,663 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.79 | 3.00 |
| %Net Income to Sales | 1.56 | 1.91 |
| %Net Income to Equity | 6.06 | 7.51 |
| Sales to Inventories | 3.37 | 3.59 |
| Debt to Equity | 0.13 | 0.15 |
| Working Capital | $ 84,638,000 | $ 74,404,000 |
| Current Ratio | 1.49 | 1.36 |
| Shareholders' Equity | $ 207,517,000 | $ 196,164,000 |

## The Circle K Corporation

1601 North 7th Street
Phoeniz, Arizona 85006
(602) 253-9600

Mailing address:
P.O. Box 52084
Phoenix, Arizona 85072-2084

**Officers:** Karl Eller, chairman of the board; Robert M. Reade, president; Ray Cox, sr. v.p.-corp. affairs; Larry J. Zine, sr. v.p.-finance & treasurer; William Remmers, sr. v.p.-international operations; Charles Shoumaker, sr. v.p.-human resources, Circle K Convenience Stores, Inc.; Gehl Babinec, sr. v.p. & general counsel; Diane E. Klein, v.p.-accounting; Joel Sterrett, secretary; Janet E. Jackim, asst. secretary; Donald S. Smith, asst. secretary; Elizabeth A. Waters, asst. secretary; Paul M. Rothstein, asst. treasurer.

**Directors:** Karl Eller, chairman; Herman R. Fenstermacher, Dean Guerin, William A. Franke, John P. Harbin, Carl H. Lindner, Keith E. Lindner, Robert M. Reade.

**Business Activities:** Operates a chain of convenience food stores engaged in the retail sale of general merchandise, fast foods, groceries, tobacco products, health and beauty aids, and self-service gasoline in 25 states, located primarily in the South and West. The Company also operates 104 stores in Great Britain through a joint venture and is involved in joint ventures or license agreements with companies that operate approximately 475 stores in five other foreign countries.

**Subsidiaries:**

Shop & Go, Inc.
Mango, Florida
Operates 446 stores in Florida and Georgia.

Circle K UK, Inc. (50% owned)
Great Britain
Operates 104 convenience stores in Great Britain.

**Transfer Agent(s):**

Texas Commerce Bank-Houston N.A.
Houston, Texas

Harris Trust Company of New York
New York, New York

**Stock Exchange(s):** New York

**Ticker Symbol:** CKP

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 4,685 | 1985 | 2,669 |
| 1987 | 3,507 | 1984 | 2,185 |
| 1986 | 3,372 | | |

* U.S.A. only.

**Sales and Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1989 | $3,641,384,000 | $ 15,414,000 |
| 1988 | 2,613,843,000 | 60,411,000 |
| 1987 | 2,289,444,000 | 49,430,000 |
| 1986 | 2,111,267,000 | 39,222,000 |
| 1985 | 1,682,164,000 | 33,673,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 45,652,572 | $ 0.21 |
| 1988 | 49,322,062 | 1.15 |
| 1987 | 49,184,843 | 0.93 |
| 1986 | 41,376,454 | 0.85 |
| 1985 | 36,291,826 | 0.82 |

‡ Includes contracts operated stores.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.28 | — | — |
| 1988 | 0.28 | — | |
| 1987 | 0.28 | — | 2-for-1 |
| 1986 | 0.25 | — | 3-for-2 |
| 1985 | 0.245 | — | — |

# Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 280,396,000 ‡ | $ 6.44 |
| 1988 | 283,521,000 | 6.56 |
| 1987 | 310,013,000 | 6.23 |
| 1986 | 200,102,000 | 4.66 |
| 1985 | 124,833,000 | 3.44 |

‡ After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock splits.

**Income Account**
(000's)

| Year ended April 30 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 3,441,384 | $ 2,613,843 |
| Other income | 51,723 | 42,879 |
| Total income | $ 3,493,107 | $ 2,656,722 |
| Cost of sales | 2,580,398 | 1,893,058 |
| Expenses | 729,306 | 561,894 |
| Depreciation & amortization | 93,033 | 65,659 |
| Interest expense | 95,912 | 56,608 |
| Gain on sale of assets | (32,323) | (8,198) |
| Income before taxes | $ 26,781 | $ 87,701 |
| Income taxes | 11,367 | 32,790 |
| Cum. effect of acct. change | — | (5,500) |
| Net Income | $ 15,414 | $ 60,411 |

**Assets**
(000's)

| As of April 30 | 1989 | 1988 |
|---|---|---|
| Cash | $ 38,488 | $ 44,216 |
| Receivables, net | 36,265 | 34,446 |
| *Inventories | 239,916 | 191,000 |
| Inc. taxes receiv. | 52,323 | 26,139 |
| Prepaid expenses | 7,048 | 3,712 |
| Prop. held for sale | 35,000 | 80,000 |
| Current Assets | $ 409,010 | $ 379,513 |
| #Fixed assets | 1,068,489 | 708,314 |
| Promissory notes due from affil. | — | 35,289 |
| Long-term receiv. | 64,237 | 65,193 |
| Exc. costs over assets acq. | 331,942 | 189,230 |
| Favorable leases acq. | 73,847 | 57,862 |
| Other assets | 97,415 | 100,383 |
| Total Assets | $ 2,044,940 | $ 1,535,784 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Due to banks | $ 91,000 | $ 60,000 |
| Long-term debt. curr. | 7,857 | 5,379 |
| Accts. payable | 134,944 | 112,144 |
| Accrued payroll | 15,580 | 12,517 |
| Money orders outstanding | 28,203 | 22,294 |
| Accrued interest | 17,990 | 16,152 |
| Other curr. assets | 54,871 | 52,121 |
| Curr. Liabilities | $ 350,445 | $ 280,607 |
| Long-term debt | 1,103,762 | 844,065 |
| Other liabilities | 100,160 | 17,191 |
| Def. inc. taxes | 93,045 | 38,133 |
| Redeem. pref. stock | 47,500 | 47,500 |
| +Preferred stock | 50,000 | — |
| ++Common stock | 50,402 | 50,003 |
| Add. paid-in capital | 168,018 | 165,040 |
| Common stock warrants | 2,300 | 2,300 |
| Retained earnings | 136,777 | 138,563 |
| For. curr. trans. adjust. | 1,527 | 5,449 |
| Treasury stock | (78,628) | (77,834) |
| Total Liabilities & Shareholders' Equity | $ 2,044,940 | $ 1,535,784 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $7.50 increasing rate cumulative covertible.
++ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.78 | 3.36 |
| %Net Income to Sales | 0.45 | 2.31 |
| %Net Income to Equity | 4.67 | 21.31 |
| Sales to Inventories | 14.34 | 13.69 |
| Debt to Equity | 3.64 | 3.21 |
| Working Capital | $ 58,565,000 | $ 98,906,000 |
| Current Ratio | 1.17 | 1.35 |
| Shareholders' Equity | $ 330,396,000 | $ 283,521,000 |

## Circuit City Stores, Inc.

2040 Thalbro Street
Richmond, Virginia 23230
(804) 257-4292

**Officers:** Alan L. Wurtzel, chairman; Richard L. Sharp, president & chief exec. officer; William D. Rivas, exec. v.p.; Walter Bruckart, exec. v.p.-merchandising; John A. Fitzsimmons, sr. v.p.-administration; William E. Zierden, sr. v.p.-human resources; Michael T. Chalifoux, v.p. & chief financial officer; Terry L. Kelley, v.p.-management information systems; Edward Kopf, v.p.-corp. planning; E. Bruce Lucas, v.p.-construction; Franklin Bell, v.p.-merchandising; Robert Timbrook, v.p.-distribution; Richard Birnbaum, v.p., & president-Central Division; James N. Gillum, v.p., & president-Southern Division; Kenneth Antos, v.p., & president-Western Division; Lawrence A. Wilson, treasurer; Gertrude M. Gibson, secretary; Frank Forlano, asst. v.p.-distribution; Sheldon Shapiro, asst. v.p.-merchandising; Thomas Hannah, asst. v.p. & gen. mgr.; Jerry L. Lawson, asst. v.p. & gen. mgr.; Bernard Curlee, asst. v.p.-service; John W. Froman, asst. v.p. & gen. mgr.; Benjamin B. Cummings, Jr., asst. v.p.-real estate; Kenneth S. Golden, asst. v.p.-merchandising; Gregory B. Jones, asst. v.p.-advertising; W. Alan McCollough, asst. v.p.-corp. operations; Naomi K. Shively, asst. v.p.-human resources.

**Directors:** Edward Villanueva, Alan L. Wurtzel, Hyman Meyers, Theodore Nierenberg, William D. Rivas*, Douglas D. Drysdale, Richard N. Cooper, Richard L. Sharp*, Charles B. Davis, III, Stanley R. Klion.

* Member of the Executive Committee

**Business Activities:** Sells televisions, appliances, audio and video equipment, and other consumer electronics products at 122 retail locations in 13 southeastern states, California and Nevada under the names Circuit City and Circuit City Superstore.

**Transfer Agent(s):**

Crestar Bank
Richmond, Virginia

**Stock Exchange(s):** New York

**Ticker Symbol:** CC

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 122 | 1986 | 67 |
| 1988 | 105 | 1985 | 93 |
| 1987 | 87 | | |

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1989 | $ 1,721,497,000 | $ 69,475,000 |
| 1988 | 1,350,425,000 | 50,400,000 |
| 1987 | 1,010,692,000 | 35,300,000 |
| 1986 | 705,490,000 | 22,021,000 |
| 1985 | 519,214,000 | 20,234,000 |

| | No. of Com. Shares + | Earn. per Share † |
|---|---|---|
| 1989 | 22,617,219 | $ 3.05 |
| 1988 | 22,401,336 | 2.25 |
| 1987 | 22,189,380 | 1.59 |
| 1986 | 21,890,830 | 0.99 |
| 1985 | 21,721,978 | 0.97 |

‡ Includes operating revenues.
+ Adjusted to reflect stock split.
† Based on the weighted average number of common share and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.110 | — | — |
| 1988 | 0.075 | — | — |
| 1987 | 0.058 | — | 2-for-1 |
| 1986 | 0.048 | — | — |
| 1985 | 0.038 | — | — |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 273,617,000 | $ 12.10 |
| 1988 | 201,413,000 | 8.99 |
| 1987 | 149,271,000 | 6.73 |
| 1986 | 111,186,000 † | 5.08 |
| 1985 | 88,585,000 † | 4.08 |

† After allowing for preferred stock at redemption value.
‡ Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended Feb. 28 | 1989 | 1988 |
|---|---|---|
| Net sales & oper. rev. | $ 1,721,497 | $ 1,350,425 |
| Cost of sales | 1,219,570 | 961,345 |
| Expenses | 379,045 | 291,489 |
| Interest expense | 8,382 | 8,391 |
| Income before taxes | $ 114,500 | $ 89,200 |
| Income taxes | 45,025 | 38,800 |
| Net income | $ 69,475 | $ 50,400 |

* Included in Costs and Expenses, Depreciation and Amortization: $16,981,000 in 1989 and $13,592,000 in 1988.

**Assets**
(000's)

| As of Feb. 28 | 1989 | 1988 |
|---|---|---|
| Cash | $ 46,124 | $ 43,867 |
| Accts. receiv., net | 11,558 | 7,135 |
| °Inventories | 302,596 | 208,098 |
| Other curr. assets | 6,615 | 6,264 |
| Current Assets | $ 366,893 | $ 265,364 |
| #Fixed assets | 206,052 | 155,246 |
| Deferred inc. taxes | 3,023 | 354 |
| Other assets | 11,513 | 12,277 |
| Total Assets | $ 587,481 | $ 433,241 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,002 | $ 1,359 |
| Accts. payable | 143,426 | 78,216 |
| Accruals | 26,957 | 18,309 |
| Accrued inc. taxes | 19,765 | 18,334 |
| Curr. Liabilities | $ 192,150 | $ 116,218 |
| Long-term debt | 94,674 | 96,676 |
| Deferred revenues | 26,961 | 18,875 |
| Other liabilities | 79 | 59 |
| +Common stock | 22,617 | 22,401 |
| Add. paid-in capital | 29,710 | 24,720 |
| Retained earnings | 221,290 | 154,292 |
| Total Liabilities & Shareholders' Equity | $ 587,481 | $ 433,241 |

° At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales & Rev. | 6.65 | 6.61 |
| %Net Income to Sales & Rev. | 4.04 | 3.73 |
| %Net Income to Equity | 25.39 | 25.02 |
| Debt to Equity | 0.35 | 0.49 |
| Working Capital | $ 174,743,000 | $ 149,146,000 |
| Current Ratio | 1.91 | 2.28 |
| Shareholders' Equity | $ 273,617,000 | $ 201,413,000 |

## Ciro Inc.

15 West 39th Street
New York, New York 10018
(212) 730-2476

**Officers:** Ralph A. Fields, chairman & chief executive officer; Stuart Michael Heaton, president; Thomas P. Pohmer, treasurer & chief financial officer; Peter A. Jellinek, v.p.; Gustav Otto Eckart Meusel, v.p.; Paul C. Whitby, secretary; Robert A. Cakebread, asst. secretary.

**Directors:** Ralph A. Fields, chairman; Stuart Michael Heaton, Abraham Gold, Peter A. Gervais, Seymour Shainwit, Ralph G. Copping, Lloyd Resaler.

**Business Activities:** The Company, through its operating subsidiaries, is a retailer of high-quality imitation jewelry and cultured and imitation pearls under the Ciro and Ken Lane names. Retail operations are conducted through 90 outlets in the U.S., U.K., Ireland, France, West Germany, and Austria.

**Subsidiaries:**

Ciro Pearls Limited
178 Regent Street
London W1 United Kingdom

Ciro Perlen GmbH
Ludwigstrasse 8
Munich, West Germany

Ciro Perlen GmbH
Graben 16
Vienna, Austria

Ken Lane S.A.R.L.
7 Rue Royale
Paris, France

Ciro of Bond Street, Inc.
15 West 39th Street
New York 10018

**Transfer Agency(s):**

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CIRI (NASDAQ)

**Number of Retail Outlets:**
1987 . . . . . 90 1986 . . . . . 88

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1987 | $ 22,124,000 | $ 340,000 |
| 1986 | 17,522,000 | (119,000) |
| 1985 | 15,840,000 | 637,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ † |
|---|---|---|
| 1987 | 4,208,743 | $ 0.08 |
| 1986 | 3,876,875 | — |
| 1985 | 3,935,961 | 0.16 |

(Loss)
† Including extraordinary gain of $113,000 ($0.03 per share) in 1987.
‡ Based on the weighted average nujmber of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity † | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 8,255,000 | $ 1.96 |
| 1986 | 6,833,000 | 1.76 |
| 1985 | 6,553,000 | 1.66 |

† After allowing for preferred stock at liquidating value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended Dec. 31 | 1987 | 1986 |
|---|---|---|
| Net sales | $ 22,124 | $ 17,522 |
| Cost of sales | 7,425 | 6,144 |
| Oper. expenses | 9,536 | 7,709 |
| Expenses | 4,316 | 3,365 |
| For. exch. loss (gain) | 6 | (15) |
| Other income | (86) | (43) |
| Other expense | 119 | 19 |
| Income before taxes | $ 808 | $ 343 |
| Income taxes | 581 | 462 |
| Net income (Loss) | $ 227 | $ (119) |
| Extraord. gain | 113 | — |
| Net Income (Loss) & extraord. gain | $ 340 | $ (119) |

* Included in Costs and Expenses, Depreciation and Amortization: $599,000 in 1987 and $608,000 in 1986.

**Assets**
(000's)

| As of Dec. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 1,090 | $ 1,125 |
| Accts. receiv., net | 2,079 | 1,663 |
| °Inventories | 7,555 | 4,519 |
| Prepaid expenses | 440 | 549 |
| Current Assets | $ 11,164 | $ 7,856 |
| Marketable securities | 99 | 191 |
| Investments | 30 | 36 |
| #Fixed assets | 3,717 | 3,163 |
| Cash value-life insur. | 574 | 423 |
| Other assets | 786 | 606 |
| Intangibles | 1,368 | 1,406 |
| Total Assets | $ 17,738 | $ 13,681 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term borrowings | $ 729 | $ 729 |
| Long-term debt, curr. | 493 | 227 |
| Accts. payable | 1,729 | 1,145 |
| Accruals | 3,189 | 2,067 |
| Income taxes | 573 | 713 |
| Curr. Liabilities | $ 6,713 | $ 4,881 |

| | | |
|---|---|---|
| Long-term debt | 922 | 499 |
| Deferred income | 889 | 694 |
| Deferred inc. taxes | 509 | 324 |
| +Preferred stock | 450 | 450 |
| ++Common stock | 406 | 392 |
| Add. paid-in capital | 4,648 | 4,392 |
| Retained earnings | 1,961 | 1,621 |
| Treasury stock | (46) | (46) |
| Total Liabilities & Shareholders' Equity | $ 17,738 | $ 13,681 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; convertible.
++ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.65 | 1.96 |
| %Net Income to Sales | 1.03 | — |
| %Net Income to Equity | 2.61 | — |
| Sales to Inventories | 2.93 | 3.88 |
| Debt to Equity | 0.25 | 0.20 |
| Working Capital | $ 4,451,000 | $ 2,975,000 |
| Current Ratio | 1.66 | 1.61 |
| Shareholders' Equity | $ 8,705,000 | $ 7,283,000 |

## Claire's Stores, Inc.

6095 N.W. 167th Street
Miami, Florida 33015
(305) 558-2577

**Officers:** Rowland Schaefer, chairman of the board & president; Ira D. Kaplan, treasurer; Harold E. Berritt, secretary; Sylvia Schaefer, vice president; Charlotte G. Fischer, pres. & chief operating officer-Claire's Boutiques, Inc.; Leonard R. Schneider, exec. v.p.-real estate, Claire's Boutiques, Inc.; Fred L. Huetter, sr. v.p.-management information systems, Claire's Boutiques, Inc.; Leslie D. Dunavant, v.p.-store operations, Claire's Boutiques, Inc.; Alexander M. Winiecki, v.p.-administration, Claire's Boutiques, Inc..

**Directors:** Rowland Schaefer, chairman; Harold E. Berritt, Fred D. Hirt, Bruce G. Miller, Sylvia Schaefer, Norman D. Cohen.

**Business Activities:** Operates 640 specialty retail stores selling popular priced women's fashion accessories in enclosed shopping malls in 47 states, under the names "Claire's Boutiques," "Dara Michelle" and "Topkapi."

**Subsidiaries:**

Claire's Boutiques, Inc.
1501 North Michael Drive
Wood Dale, Illinois 60191
(312) 860-5400

Dara Michelle, Inc.
1501 North Michael Drive
Wood Dale, Illinois 60191

**Acquisition:**

Topkapi
Operates 16 fashion accessories retail stores in the Northeast and Midwest.

**Transfer Agent(s):**

Southeast Bank, N.A.
Stock Transfer Group (MS 1157)
1 Southeast Financial Center
Miami, Florida 33131

**Stock Exchange(s):** New York

**Ticker Symbol:** CLE

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 633 | 1986 | 326 |
| 1988 | 555 | 1985 | 243 |
| 1987 | 439 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 127,263,000 | $ 7,097,000 |
| 1988 | 103,404,000 | 6,230,000 |
| 1987 | 87,205,000 | 5,323,000 |
| 1986 | 74,456,000 | 7,479,000 |
| 1985* | 55,895,000 | 6,600,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 19,954,000 | $ 0.36 |
| 1988 | 19,916,000 | 0.31 |
| 1987 | 20,019,000 | 0.26 |
| 1986 | 20,779,000 | 0.36 |
| 1985 | 20,454,000 | 0.32 |

* 43 weeks
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.10 | — | — |
| 1988 | 0.10 | — | |
| 1987 | 0.10 | — | — |
| 1986 | 0.08 | — | — |
| 1985 | 0.04 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 33,614,000 | $ 1.68 |
| 1988 | 28,213,000 | 1.42 |
| 1987 | 23,618,000 | 1.18 |
| 1986 | 20,257,000 | 0.97 |
| 1985 | 16,611,000 | 0.81 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 127,263,000 | $ 103,404,000 |
| Cost of sales | 61,610,000 | 49,815,000 |
| Expenses | 46,526,000 | 38,516,000 |
| Depreciation & amortization | 5,987,000 | 4,703,000 |
| Interest expense | 1,460,000 | 1,012,000 |
| Income bef. taxes | $ 11,680,000 | $ 9,358,000 |
| Income taxes | 4,583,000 | 3,658,000 |
| Cum. effect of change in accntg. meth. | — | (530,000) |
| Net Income | $ 7,097,000 | $ 6,230,000 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 2,541,000 | $ 1,316,000 |
| *Inventories | 13,761,000 | 10,707,000 |
| Deferred tax asset | 2,007,000 | 2,206,000 |
| Prepaid expenses | 2,306,000 | 1,894,000 |
| Current Assets | $ 20,615,000 | $ 16,123,000 |
| #Fixed assets | 41,536,000 | 35,898,000 |
| Goodwill | 303,000 | 315,000 |
| Store fixtures | 671,000 | 720,000 |
| Other assets | 229,000 | 105,000 |
| Total Assets | $ 63,354,000 | $ 53,161,000 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 9,024,000 | $ 5,831,000 |
| Accruals | 3,312,000 | 2,293,000 |
| Dividends payable | 540,000 | 444,000 |
| Income taxes | 1,902,000 | 12,000 |
| Curr. Liabilities | $ 14,778,000 | $ 8,580,000 |
| Long-term debt | 7,000,000 | 11,300,000 |
| Deferred inc. taxes | 7,962,000 | 5,068,000 |
| +Common stock | 1,015,000 | 1,012,000 |
| Add. paid-in capital | 7,772,000 | 7,646,000 |
| Retained earnings | 27,054,000 | 21,782,000 |
| Treasury stock | (2,227,000) | (2,227,000) |
| Total Liabilities & Shareholders' Equity | $ 63,354,000 | $ 53,161,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 9.18 | 9.05 |
| %Net. Income to Sales | 5.58 | 6.02 |
| %Net Income to Equity | 21.11 | 22.08 |
| Sales to Inventories | 9.25 | 9.66 |
| Debt to Equity | 0.21 | 0.40 |
| Working Capital | $ 5,837,000 | $ 7,543,000 |
| Current Ratio | 1.39 | 1.88 |
| Shareholders' Equity | $ 33,614,000 | $ 28,213,000 |

## The Clothestime, Inc.

5325 East Hunter Avenue
Anaheim, California 92807
(714) 779-5881

**Officers:** Michael P. DeAngelo, chairman & chief executive officer; Raymond A. DeAngelo, vice chairman of the board; John Ortega, II, vice chairman of the board; Norman Abramson, president & chief operating officer; Jeffrey R. Dake, vice president-real estate & construction; John M. Shanklin, v.p. & chief financial officer; Eric J. Boden, v.p.-store operations; P. Bruce Cumming, v.p.-distribution services; Michael R. Leff, v.p. & general merchandise manager.

**Directors:** Michael P. DeAngelo, chairman; Raymond A. DeAngelo, John Ortega, II, August DeAngelo, Harvey A. Bookstein, Norman Abramson, George Foos.

**Business Activities:** The Company operates 335 women's apparel stores in 16 states, with most of the stores (183) located in California. The stores offer primarily in-season, moderately priced, junior sportswear, dresses and accessories. Most of these items are sold under recognizable brand names, at substantial discounts from better department and specialty store prices.

**Transfer Agent(s):**

U.S. Stock Transfer Corporation
1745 Gardena Ave.
Glendale, California 91204

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CTME (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 335 | 1986 | 190 |
| 1988 | 338 | 1985 | 155 |
| 1987 | 263 | | |

**Sales & Earnings**

| | Net Sales † | Net Income |
|---|---|---|
| 1989 | $ 171,510,000 | $ (2,163,000) |
| 1988 | 178,715,000 | 6,509,000 |
| 1987* | 160,670,000 | 11,908,000 |
| 1986 | 126,929,000 | 10,005,000 |
| 1985 | 98,247,000 | 3,311,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 13,974,000 | $ — |
| 1988 | 14,129,000 | 0.46 |
| 1987* | 14,298,000 | 0.83 |
| 1986 | 14,206,000 | 0.70 |
| 1985 | 14,048,000 | 0.24 |

* 53 weeks
† Includes other income.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | 2-for-1 & 3-for-2 |
| 1985 | — | — | — |
| 1984 | — | — | 5.6-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 40,170,000 | $ 2.87 |
| 1988 | 41,470,000 | 2.94 |
| 1987 | 34,726,000 | 2.43 |
| 1986 | 22,580,000 | 1.59 |
| 1985 | 12,317,000 | 0.88 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 171,431,119 | $ 178,695,242 |
| Other income | 78,675 | 19,604 |
| Total income | $ 171,509,794 | $ 178,714,846 |
| Cost of sales | 100,528,861 | 104,738,260 |
| Expenses | 75,131,493 | 62,127,888 |
| Interest expense | 687,904 | 311,320 |
| Inc. (loss) bef. taxes | $ (4,838,464) | $ 11,537,378 |
| Income taxes (credit) | (2,012,000) | 5,028,000 |
| Cum. effect of acct. change | (663,260) | — |
| Net Income (Loss) | $ (2,163,204) | $ 6,509,378 |

* Included in Costs and Expenses, Depreciation and Amortization: $4,138,070 in 1989 and $3,532,103 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & short-term invest. | $ 6,595,065 | $ 1,947,881 |
| *Inventories | 18,133,996 | 22,112,619 |
| Refund. inc. taxes | 6,833,192 | 5,235,272 |
| Def. inc. taxes | 562,000 | 1,414,448 |
| Prepaid expenses | 2,516,796 | 3,735,417 |
| Current Assets | $ 30,641,049 | $ 34,445,637 |
| #Fixed assets | 33,071,974 | 34,027,960 |
| Other assets | 228,564 | 351,878 |
| Total Assets | $ 63,941,587 | $ 68,825,475 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ — | $ 6,100,000 |
| Accts. payable | 9,732,878 | 10,270,799 |
| Accrued sales taxes | 642,091 | 540,729 |
| Accrued payroll | 1,461,839 | 2,282,438 |
| Other accruals | 2,149,690 | 953,125 |
| Curr. Liabilities | $ 13,986,498 | $ 20,147,091 |
| Long-term debt | 3,500,000 | 14,711 |
| Deferred inc. taxes | 6,284,999 | 7,193,685 |
| +Common stock | 139,897 | 139,685 |
| Add. paid-in capital | 6,312,836 | 5,781,109 |
| Notes receiv. from officers | — | (331,367) |
| Retained earnings | 33,717,357 | 35,880,561 |
| Total Liabilities & Shareholders' Equity | $ 63,941,587 | $ 68,825,475 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 6.46 |
| %Net Income to Sales | — | 3.64 |
| %Net Income to Equity | — | 15.70 |
| Sales to inventories | 9.45 | 8.08 |
| Debt to Equity | 0.09 | 0.15 |
| Working Capital | $ 16,654,551 | $ 14,298,546 |
| Current Ratio | 2.19 | 1.71 |
| Shareholders' Equity | $ 40,170,090 | $ 41,469,988 |

## CML Group, Inc.

524 Main Street
Acton, Massachusetts 01720
(508) 264-4155

**Officers:** Charles M. Leighton, chairman & chief executive officer; G. Robert Tod, president & chief operating officer; William F. Harris, v.p.-finance; Patricia K. Peters, v.p.-investor relations; Robert J. Samuelson, v.p.-corp. development; George W. Dunckiee, treasurer & asst. secretary; Glenn E. Davis, controller; Paul P. Brountas, secretary.

**Directors:** Charles M. Leighton, chairman; Howard H. Callaway, Russ Jones, Thomas H. Lenagh, Homer L. Luther, Jr., G. Robert Tod.

**Business Activities:** Operates 151 retail stores under the names Britches, Carroll Reed, The Nature Company, Gokeys, and Mason & Sullivan in 23 states and the District of Columbia, with a heavy concentration of stores in New England, the Mid Atlantic states, and California. These stores offer high-quality classic apparel, accessories, and gift items. The Company also operates a mail order catalog business and manufactures recreational consumer products.

**Subsidiaries:**

Britches of Georgetowne
544 Herndon Parkway
Herndon, Virginia 22070
(703) 471-7900
Operates 65 retail clothing stores under the names Britches of Georgetown, Britches Great Outdoors, Britches for Women, and Britches Great Outdoors for Women. These stores are located in the greater Washington, D.C. area as well as in Atlanta, Georgia, and New Jersey.

Carroll Reed
510 Congress Street
Portland
ME 04104
(207) 775-7421
Operates 54 retail women's clothing stores in 20 states.

Gokeys
21 West Fifth Street
St. Paul, Minnesota 55101
(612) 224-4300
Operates seven retail stores that specialize in men's and women's casual wear, in Minnesota, Oklahoma, Texas and Louisiana.

Mason & Sullivan
586 Higgins Crowell Road
West Yarmouth, Massachusetts 02673
(508) 775-4643
Operates a retail store in Massachusetts that specializes in do-it-yourself clock kits.

The Nature Company
750 Hearst Avenue
Berkeley, California 94710
(415) 644-1337
Operates 24 retail stores that offer nature-related gift items. The majority of the stores are located in California.

NordicTrack
141 Jonathan Boulevard
Chaska, Minnesota 55318
(612) 448-6987
Manufactures and markets a cross-country ski exerciser.

SyberVision Systems
7131 Koll Center
Pleasanton, California 94566
(415) 846-2244
Develops and markets self-improvement audio and video programs.

Boston Whaler
1149 Hingham Street
Rockland, Massachusetts 02370
(617) 871-1400
Designs, manufactures and markets a complete line of powerboats.

**Transfer Agent(s):**

The First National Bank of Boston
Boston, Massachusetts

**Stock Exchange(s):** New York

**Ticker Symbol:** CML

**Number of Stores:**

1988 ..... 151 1987 ..... 118

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 348,940,000 | $ 11,551,000 |
| 1987 | 282,972,000 | 9,035,000 |
| 1986 | 232,282,000 | 6,838,000 |
| 1985 | 201,315,000 | 5,679,000 |
| 1984 | 187,512,000 | 4,121,000 |

| | No. of Com. Shares | Earn. per Share + |
|---|---|---|
| 1988 | 6,283,733 | $ 1.77 |
| 1987 | 6,558,239 | 1.35 |
| 1986 | 6,484,204 | 1.04 |
| 1985 | 6,349,570 | 0.88 |
| 1984 | N.A. | 0.68 |

N.A. - Not Available.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Specialty retailing | $ 282,773,000 | $ 227,794,000 |
| Recreational products | 66,167,000 | 55,178,000 |
| Total | $ 348,940,000 | $ 282,972,000 |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 67,140,000 | $ 10.68 |
| 1987 | 60,084,000 | 9.16 |
| 1986 | 50,298,000 | 7.76 |
| 1985 | 47,566,000 | 7.49 |
| 1984 | 41,913,000 | — |

Income Account *

| Year Ended July 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 348,940,000 | $ 282,972,000 |
| Cost of sales | 169,094,000 | 145,585,000 |
| Expenses | 152,856,000 | 115,277,000 |
| Interest expense | 8,365,000 | 4,647,000 |
| Income before taxes | $ 18,625,000 | $ 17,463,000 |
| Income taxes | 7,074,000 | 8,428,000 |
| Net Income | $ 11,551,000 | $ 9,035,000 |

* Included in Costs and Expenses, Depreciation: $7,985,000 in 1988 and $6,042,000 in 1987.

Assets

| As of July 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 5,690,000 | $ 5,568,000 |
| Accts. receiv., net | 13,465,000 | 10,731,000 |
| Refundable inc. taxes | 5,937,000 | — |
| *Inventories | 56,710,000 | 53,423,000 |
| Other curr. assets | 9,474,000 | 8,701,000 |
| Current Assets | $ 91,276,000 | $ 78,423,000 |
| #Fixed assets | 73,655,000 | 56,155,000 |
| Goodwill | 35,629,000 | 26,429,000 |
| Notes receivable | 10,233,000 | 8,030,000 |
| Other assets | 15,680,000 | 11,889,000 |
| Total Assets | $ 226,473,000 | $ 180,926,000 |

Liabilities

| | | |
|---|---|---|
| Notes payable | $ 1,600,000 | $ 6,000,000 |
| Long-term debt, curr. | 1,011,000 | 380,000 |
| Accts. payable | 20,914,000 | 24,584,000 |
| Accruals | 15,565,000 | 11,620,000 |
| Accrued inc. taxes | — | 1,566,000 |
| Deferred income taxes | — | 517,000 |
| Current Liabilities | $ 39,090,000 | $ 44,667,000 |
| Long-term debt | 75,057,000 | 33,557,000 |
| Subord. debentures | 38,500,000 | 38,500,000 |
| Deferred income taxes | 3,858,000 | 3,321,000 |
| Other deferred items | 2,828,000 | 797,000 |
| +Common stock | 668,000 | 666,000 |
| Add. paid-in capital | 27,230,000 | 27,100,000 |
| Retained earnings | 45,077,000 | 33,526,000 |
| Treasury stock | (5,835,000) | (1,208,000) |
| Total Liabilities & Shareholders' Equity | $ 226,473,000 | $ 180,926,000 |

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 5.34 | 6.17 |
| % Net Income to Sales | 3.31 | 3.19 |
| % Net Income to Equity | 17.20 | 15.04 |
| Sales to Inventories | 6.15 | 5.30 |
| Debt to Equity | 1.16 | 0.66 |
| Working Capital | $ 52,186,000 | $ 33,756,000 |
| Current Ratio | 2.34 | 1.76 |
| Shareholders Equity | $ 67,140,000 | $ 60,084,000 |

## Coats Viyella Plc

Bank House
Charlotte Street
Manchester M1 4ET, England
061-236-3272

**Officers:** Sir James Spooner, chairman; David Alliance, deputy chairman & chief operating officer; James McAdam, deputy chairman & chief operating officer; John Ashton, group finance director; C. Michael Bell, thread, handknittings & retail; Jeffrey L. Hewitt, group strategy director; Nicholas C.D. Kuenssberg, precision engineering & menswear; Alistair H. Macdiarmid, apparel; J. David F. Miller, group personnel director; W. John Shelton, yarns & fabrics; Peter M. White, homewares; Samuel Dow, secretary.

**Directors:** Sir James Spooner, chairman; David Alliance, deputy chairman; James McAdam, deputy chairman; John Ashton, C. Michael Bell, Harry A.S. Djanogly, Jeffrey L. Hewitt, Nicholas C.D. Kuenssberg, Alistair H. Macdiarmid, J. David F. Miller, W. John Shelton, William C. Thomson, Peter M. White.

**Business Activities:** The Company's retail group operates 400 retail clothing outlets in the U.K., Europe, and North America under the names Jaeger, Country Casuals, and Viyella. The Company is also engaged in the manufacture, processing and distribution of knitwear and garments, household textiles, furnishings and carpets, and woven and knitted fabrics; and the production and sale of sewing thread, handknittings, fashionwear and precision engineering products.

**Subsidiaries (England):**

The British Van Heusen Company Limited
Shirts and leisurewear.

Thomas Burnley & Sons Limited
Yarns and fabrics.

D. Byford & Company Limited
Knitwear and hosiery.

Carrington Viyella Garments Limited
Shirts and leisurewear.

Coats Viyella Medical Limited
Medical equipment.

J. Compton, Sons & Webb Limited
Uniform clothing.

Country Casuals Limited
Operates retail clothing outlets in the U.K. and Europe.

Diana Cowpe Limited
Household textiles.

CV Home Furnishings Limited
Home furnishings.

CV Woven Fabrics Limited
Yarns and fabrics.

CV Apparel Limited
Garments.

Dynacast Limited
Precision engineering.

Albert Hartley Limited
Household textiles.

William Hollins & Company Limited
Fabrics/fashion wear.

Jaeger Holdings Limited
Operates retail clothing stores in the U.K. and North America.

Mansfield Knitwear Limited
Knitwear.

Needle Industries Group Limited
Leisure and craft products; home sewing products; industrial sewing products.

Nottingham Group Limited
Educational supplies.

Patons & Baldwins Limited
Handknittings.

Priest (Lindley) Limited
Yarns.

Scott & Smith Group Limited
Household textiles.

Vantona Limited
Household textiles.

VV Household Textiles Limited
Household textiles.

West Riding Worsted and Woollen Mills Limited
Yarns and fabrics.

**Subsidiaries (Scotland)**

Coats Paton PLC
Holding company.

J. & P. Coats (U.K.) Limited
Leisure and craft products; home sewing products; industrial sewing products.

F. Miller (Textiles) Limited
Women's and children's wear.

Pasolds Limited
Leisurewear.

**Subsidiaries (Northern Ireland):**

CV Carpets Limited
Carpets.

Ewart Liddell Limited
Household textiles.

**Subsidiaries (U.S.A.):**

Coats & Clark, Inc. (including Dynacast USA)
Leisure and craft products; home sewing products, industrial sewing products; precision engineering; handknittings.

**Subsidiaries (Canada):**

J. & P Coats (Canada) Inc.
Leisure and craft products; home sewing products; industrial sewing products; handknittings.

Patons & Baldwins Canada Inc.
Handknittings.

Consoltex Canada Inc. (81%-owned)
Montreal, Quebec, Canada
Fabric and garments.

Patons & Baldwins Canada Inc.
Handknittings.

**Registrar:**

Fenchurch Registrars Limited
8-16 Earl Street
London, EC2A 2DY, England

**Stock Exchange(s):** London

**Number of Stores:***

1988 ..... 400 1986 ..... 400

*Number approximate.
1987 ..... 400

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | £1,854,800,000 | £ 92,200,000 |
| 1987 | 1,794,800,000 | 164,600,000 |
| 1986 | 1,750,000,000 | 132,900,000 |
| 1985 | 1,695,900,000 | 102,700,000 |
| 1984 | 606,900,000 | 32,200,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 525,200,000 | 16.1p |
| 1987 | 524,400,000 | 29.0 |
| 1986 | 522,600,000 | 23.6 |
| 1985 | 519,200,000 | 18.0 |
| 1984 | N.A. | 15.0 |

N.A. - Not Available.
£ - pound sterling.
† Excluding extraordinary items and minority interests.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Thread & handknitting | £ 610,900 | £ 617,400 |
| Garment mfg. & retailing | 437,400 | 444,500 |
| Homewares | 326,200 | 294,300 |
| Yarns & fabrics | 300,300 | 257,600 |
| Precision engineering | 131,100 | 110,700 |
| Discontinued operations | 48,900 | 70,300 |
| Total | £ 1,854,800 | £ 1,794,800 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | 9.00p | — | 2-for-1 |
| 1987 | 8.70 | — | |
| 1986 | 7.25 | — | — |
| 1985 | 6.00 | — | — |
| 1984 | 5.00 | — | — |

+ Adjusted oto reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | £ 655,300,000 | 124.8p |
| 1987 | 684,400,000 | 130.5 |
| 1986 | 642,700,000 | 123.0 |
| 1985 | 575,100,000 | 110.8 |

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | £ 1,854,800 | £ 1,794,800 |
| Cost of sales | 1,286,300 | 1,185,600 |
| Distribution costs | 305,900 | 291,100 |
| Adm. expenses | 121,700 | 121,100 |
| Other oper. inc. | (5,700) | (16,500) |
| Share of profit of rel. cos. | (3,500) | (6,600) |
| Interest expense | 28,700 | 26,600 |
| Interest income | (16,800) | (19,300) |
| Income before taxes | £ 135,200 | £ 212,800 |
| Income taxes | 43,000 | 48,200 |
| Minority interest | 7,300 | 12,100 |
| Net Income | £ 84,900 | £ 152,500 |
| Extraord. items | (35,200) | 13,200 |
| Net Income & extraord. items | £ 49,700 | £ 165,700 |

* Included in Costs and Expenses, Depreciation: £ 46,300,000 in 1988 and £ 43,300,000 in 1988.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | £ 109,300 | £ 146,000 |
| Investments | 23,400 | 28,900 |
| Accts. receiv., net | 346,800 | 336,300 |
| °Stocks | 447,300 | 439,000 |
| Current Assets | £ 926,800 | £ 950,200 |
| Investments | 25,300 | 26,000 |
| #Fixed assets | 481,400 | 458,500 |
| Total Assets | £ 1,433,500 | £ 1,434,700 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | £ 47,800 | £ 53,800 |
| Accts. payable | 163,800 | 169,800 |
| Debentures | 19,300 | 17,500 |
| Amts. owed to rel. cos. | 12,700 | 10,300 |
| Advance payments | 35,300 | 32,600 |
| Bills of exch. | 33,700 | 20,400 |
| Other payables | 21,200 | 21,600 |
| Income taxes | 73,800 | 42,900 |
| Accruals & def. inc. | 45,200 | 36,800 |
| Proposed dividend | 47,300 | 45,600 |
| Fin. lease oblig. | 5,900 | 6,600 |
| Pensions | 2,300 | 500 |
| Curr. Liabilities | £ 511,300 | £ 509,300 |
| Debentures | 96,800 | 100,800 |
| Other payables | 4,700 | 4,300 |
| Minority interest | 50,100 | 63,900 |
| Deferred income | — | 100 |
| Deferred taxes | 2,200 | 1,500 |
| Fin. lease oblig. | 31,500 | 24,300 |
| Other liabilities | 67,000 | 43,000 |
| +Preferred stock | 14,600 | 3,100 |
| ++Common stock | 105,100 | 104,900 |
| Add. paid-in capital | 1,100 | 300 |
| Other reserves | 45,400 | 49,900 |
| Profit & loss acct. | 503,700 | 529,300 |
| Total Liabilities & Shareholders' Equity | £ 1,433,500 | £ 1,434,700 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 4.9% cumulative.
++ 20p par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.29 | 11.86 |
| %Net Income to Sales | 4.58 | 8.50 |
| %Net Income to Equity | 12.67 | 22.18 |
| Sales to Inventories | 4.15 | 4.09 |
| Debt to Equity | 0.07 | 0.08 |
| Working Capital | £ 415,500,000 | £ 440,900,000 |
| Current Ratio | 1.81 | 1.87 |
| Shareholders' Equity | £ 669,900,000 | £ 687,500,000 |

## The Computer Factory Inc.

399A Executive Boulevard
Elmsford, New York 10523
(914) 347-5000

**Officers:** Jay Gottlieb, president & chief executive officer; Philip Duva, v.p.-finance & chief financial officer; Russell Madris, v.p.-sales & marketing; Rocco Scappatura, v.p.-distribution; Rochelle Cochin, secretary-treasurer.

**Directors:** Jay Gottlieb, Russell Madris, Rochelle Cochin, Jay M. Haft, Ira Riklis, Scott Korman, Rocco Scappatura.

**Business Activities:** Operates 59 computer retail stores located principally in the Boston to Washington, D.C. corridor.

**Transfer Agent(s):**

American Stock Transfer Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** New York

**Ticker Symbol:** CFA

**Number of Stores:**

1987 . . . . . 45

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 282,625,000 | $ 10,515,000 |
| 1987 | 186,971,000 | 6,862,000 |
| 1986 | 104,347,000 | 2,474,000 |
| 1985 | 56,759,000 | 1,147,000 |
| 1984 | 25,720,000 | 601,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 8,921,000 | $ 1.18 |
| 1987 | 7,965,000 | 0.86 |
| 1986 | 5,870,000 | 0.42 |
| 1985 | 4,784,000 | 0.24 |
| 1984 | N.A. | 0.13 |

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | 10% | — |
| 1987 | — | — | |
| 1986 | — | — | 4-for-3 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 86,945,000 | $ 9.75 |
| 1987 | 76,430,000 | 9.60 |
| 1986 | 26,013,000 | 4.43 |
| 1985 | 9,820,000 | 2.05 |
| 1984 | 8,668,000 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

**Income Account ***
(000's)

| Year ended Sept. 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 282,625 | $ 186,971 |
| Cost of sales | 220,018 | 142,598 |
| Expenses | 46,179 | 31,044 |
| Interest expense | 58 | 282 |
| Interest income | (540) | (963) |
| Income before taxes | $ 16,910 | $ 14,010 |
| Income taxes | 6,395 | 7,148 |
| Net Income | $ 10,515 | $ 6,862 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,370,000 in 1988 and $1,359,000 in 1987.

**Assets**
(000's)

| As of Sept. 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 1,768 | $ 4,942 |
| Short-term invest. | 1,987 | 19,734 |
| Accts. receiv., net | 35,857 | 20,269 |
| °Inventories | 80,262 | 55,149 |
| Prepaid expenses | 2,391 | 1,001 |
| Current Assets | $ 122,465 | $ 101,095 |
| #Fixed assets | 6,128 | 3,820 |
| Other assets | 3,267 | 1,754 |
| Total Assets | $ 131,860 | $ 106,669 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Accts. payable | $ 31,953 | $ 25,721 |
| Sales tax payable | 1,607 | 1,550 |
| Due to customers | 1,910 | 1,256 |
| Deferred income | 1,781 | 475 |
| Accrued professional fees | 166 | 154 |
| Accrued admissions | 366 | 317 |
| Accrued profit sharing | 240 | 103 |
| Accrued bonuses | 230 | 250 |
| Other accruals | 102 | 59 |
| Income taxes | 41 | 278 |
| Curr. Liabilities | $ 38,396 | $ 30,163 |
| Long-term debt | 6,500 | — |
| Deferred inc. taxes | 19 | 76 |
| +Common stock | 89 | 81 |
| Add. paid-in capital | 76,898 | 64,217 |
| Retained earnings | 10,264 | 12,369 |
| Notes receivable | — | (235) |
| Treasury stock | (306) | (2) |
| Total Liabilities & Shareholders' Equity | $ 131,860 | $ 106,669 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Income bef. Taxes to Sales | 5.98 | 7.49 |
| %Net Income to Sales | 3.72 | 3.67 |
| %Net Income to Equity | 12.09 | 8.98 |
| Sales to Inventories | 3.52 | 3.39 |
| Debt to Equity | 0.07 | — |
| Working Capital | $ 84,069,000 | $ 70,932,000 |
| Current Ratio | 3.19 | 3.35 |
| Shareholders' Equity | $ 86,945,000 | $ 76,430,000 |

## Consolidated Stores Corporation

300 Phillipi Road
P.O. Box 747
Columbus, Ohio 43216
(614) 278-6805

**Officers:** James M. Guinan, chairman & chief exec. officer; Charles H. Shenk, president; William B. Snow, exec. v.p. & chief financial officer; Patricia L. King, v.p. & controller; Albert J. Bell, v.p., secretary & general counsel; Sheryl E. Illnick, v.p. & treasurer.

**Directors:** Sol A. Shenk, Rodney L. Goldstein, William J. Hunckler, III, Charles H. Shenk, James M. Guinan, Jay Kramer, Harold Frank, Robert G. Markey, Richard L. Shenk, William B. Snow.

**Business Activities:** Operates 308 "close-out" retail stores under the names "Odd Lots" and "Big Lots" in 13 mid-western and southeastern states.

**Divisions:**

Retail Division
Wholesale Division

**Subsidiaries:**

Consolidated Stores International Corporation

Consolidated International Export Corporation (Barbados)

Industrial Products of New England, Inc.

CSIC Venture, Inc.

Barn Acquisitions Corporation

Fashion Barn, Inc.

Tool and Supply of New England, Inc.

Midwestern Home Products, Inc.

**Transfer Agent(s):**

National City Bank
1900 East Ninth Street
Cleveland, Ohio 44114

Manufacturers Hanover Trust Company
Grand Central Station
P.O. Box 3732
New York, New York 10163

**Stock Exchange(s):** New York

**Ticker Symbol:** CNS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 308 | 1986 | 115 |
| 1988 | 295 | 1985 | 54 |
| 1987 | 219 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1/28/89 | $ 626,557,000 | $ 22,628,000 |
| 1/30/88 | 590,704,000 | 12,995,000 |
| 1/31/87 | 397,221,000 | 19,459,000 |
| 2/1/86 | 181,101,000 | 11,957,000 |
| 2/2/85° | 39,433,000 | 3,633,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1/28/89 | 45,237,532 | $ 0.50 |
| 1/30/88 | 45,096,577 | 0.29 |
| 1/31/87 | 43,412,000 | 0.45 |
| 2/1/86 | 38,150,904 | 0.32 |
| 2/2/85° | 31,600,000 | 0.12 |

° 4 months.
+ Of continuing operations only.
‡ Based on the weighed average numer of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Retail | $ 601,008,000 | $ 571,150,000 |
| Wholesale | 25,549,000 | 19,554,000 |
| Total | $ 626,557,000 | $ 590,704,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1/28/89 | — | — | — |
| 1/30/88 | — | — | |
| 1/31/87 | — | — | 2-for-1 |
| 2/1/87 | — | — | 2-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1/28/89 | $ 150,998,000 | $ 3.34 |
| 1/30/88 | 127,994,000 | 2.84 |
| 1/31/87 | 114,295,000 | 2.63 |
| 2/1/86 | 47,628,000 | 1.25 |
| 2/2/85 | 6,426,000 | 0.20 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account °**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 626,557 | $ 590,704 |
| Cost of sales | 373,552 | 358,512 |
| Expenses | 211,407 | 205,919 |
| Joint venture earn. | (498) | (1,007) |
| Interest expense | 7,619 | 7,065 |
| Interest income | (179) | (75) |
| Other income | (2,406) | (2,487) |
| Income before taxes | $ 37,062 | $ 22,777 |
| Income taxes | 14,434 | 9,782 |
| Net Income | $ 22,628 | $ 12,995 |

° Included in Costs and Expenses, Depreciation and Amortization: $12,791,000 in 1989 and $9,211,000 in 1988.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 16,764 | $ 5,440 |
| Notes & accts. rec., net | 2,339 | 1,811 |
| Invest. in joint venture | 14,748 | 6,432 |
| °Inventories | 140,500 | 122,495 |
| Prepaid expenses | 6,041 | 3,704 |
| Deferred income taxes | 3,564 | 4,749 |
| Current Assets | $ 183,956 | $ 144,631 |
| #Fixed assets | 99,306 | 99,911 |
| Other assets | 2,894 | 2,623 |
| Total Assets | $ 286,156 | $ 247,165 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,424 | $ 1,307 |
| Accts. payable | 46,991 | 39,755 |
| Accruals | 14,063 | 13,355 |
| Income taxes | 12,721 | 4,869 |
| Curr. Liabilities | $ 75,199 | $ 59,286 |
| Long-term debt | 53,292 | 54,727 |
| Deferred inc. taxes | 6,667 | 5,158 |
| +Common stock | 427 | 426 |
| +Non-voting common stock | 27 | 27 |
| Add. paid-in capital | 82,891 | 82,516 |
| Retained earnings | 67,653 | 45,025 |
| Total Liabilities & Shareholders' Equity | $ 286,156 | $ 247,165 |

° At lower of cost (FIFO) or market. Retail inventories are based on the retail method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.92 | 3.86 |
| %Net Income to Sales | 3.61 | 2.20 |
| %Net Income to Equity | 14.99 | 10.15 |
| Sales to Inventories | 4.46 | 4.82 |
| Debt to Equity | 0.36 | 0.43 |
| Working Capital | $ 108,757,000 | $ 85,345,000 |
| Current Ratio | 2.45 | 2.44 |
| Shareholders' Equity | $ 150,998,000 | $ 127,994,000 |

## Conston Corporation

3250 South 76th Street
Philadelphia, Pennsylvania 19153
(215) 492-9700

**Officers:** Charles Conston, chairman of the board, president & chief executive officer; John J. Cebular, sr. v.p.-finance, treasurer & secretary; Adele Vellutello, sr. v.p.-store operations; Cynthia Conston Savett, sr. v.p.-merchan-

dising; Stuart F. Conston, sr. v.p.-real estate; Shirley Conston, v.p.-public relations and advertising; John Ciabattoni, Jr., v.p.-controller and asst. secretary; Arthur McBeth, v.p.-management information systems; Arthur Balshem, v.p.-distribution; Robert Smith, v.p.-construction; Robert Giordano, v.p. & import director.

**Directors:** Charles Conston, chairman; John J. Cebular, Cynthia Conston Savett, Stuart F. Conston, Shirley Conston, Philip S. Seltzer, Edward B. Shils.

**Business Activities:** Operates 279 "16 Plus" stores, which feature moderately priced fashionable sportswear, dresses, suits and accessories for the large-size woman. These stores are located in 28 states and the District of Columbia. Also operates 61 "Charles" and "Famous Maid" women's retail clothing stores, which appeal to the junior-size, moderate-income market and are located in 14 states and the District of Columbia. In addition, the Company operates 10 "Kristy's Kids" clothing stores for girls and boys aged four to twelve. The Company's stores are located almost exclusively in the East, Midwest, and South.

**Divisions:**

16 Plus
Charles
Famous Maid
Kristy's Kids

**Transfer Agent(s):**

Mellon Bank (East) N.A.
Commerce Court, Third Floor
Four Station Square
Pittsburgh, Pennsylvania 15219-1173

**Stock Exchange(s):** American

**Ticker Symbol:** KCS

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1989 | 350 | 1986 | 272 |
| 1988 | 349 | 1985 | 234 |
| 1987 | 313 | | |

**Sales & Earnings**

| | Revenues + | Net Income |
|---|---|---|
| 1988 | $ 192,650,000 | $ (4,658,000) |
| 1987 | 186,798,000 | 1,588,000 |
| 1986 | 171,565,000 | 6,597,000 |
| 1985 | 149,213,000 | 5,832,000 |
| 1984 | 128,332,000 | 4,458,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 7,600,000 | $ — |
| 1987 | 7,600,000 | 0.21 |
| 1986 | 7,600,000 | 0.92 |
| 1985 | 6,600,000 | 0.88 |
| 1984 | 6,601,646 | 0.67 |

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 48,028,000 | $ 6.32 |
| 1987 | 52,686,000 | 6.93 |
| 1986 | 51,098,000 | 6.72 |
| 1985 | 32,354,000 | 4.90 |
| 1984 | 26,530,000 | 4.02 |

**Income Account**
(000's)

| Year ended | 2/25/89 | 2/27/88 |
|---|---|---|
| Net sales | $ 192,405 | $ 186,156 |
| Other income | 245 | 642 |
| Total income | $ 192,650 | $ 186,798 |
| Cost of sales | 141,956 | 129,906 |
| Expenses | 50,479 | 47,408 |
| Depreciation & amortization | 6,900 | 6,004 |
| Interest expense | 1,375 | 1,004 |
| Loss on sale of fixed asset | 98 | — |
| Inc. (loss) bef. taxes | $ (8,158) | $ 2,476 |
| Income taxes (credit) | (3,500) | 888 |
| Net Income (Loss) | $ (4,658) | $ 1,588 |

**Assets**
(000's)

| As of | 2/25/89 | 2/27/88 |
|---|---|---|
| Cash | $ 4,825 | $ 2,752 |
| Marketable securities | 375 | 4,983 |
| Loans receivable | 1,301 | 996 |
| *Inventories | 16,911 | 22,762 |
| Refund. inc. taxes | 3,340 | — |
| Prepaid expenses | 2,538 | 2,840 |
| Current Assets | $ 29,290 | $ 34,333 |
| #Fixed assets | 42,404 | 39,087 |
| Other assets | 1,482 | 1,204 |
| Total Assets | $ 73,176 | $ 74,624 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,111 | $ 288 |
| Cap. lease oblig., curr. | 188 | 170 |
| Accts. payable | 6,165 | 8,547 |
| Accruals | 3,453 | 2,649 |
| Accrued profit-sharing | — | 832 |
| Curr. Liabilities | $ 10,917 | $ 12,486 |
| Long-term debt | 6,331 | 1,364 |
| Cap. lease oblig. | 7,900 | 8,088 |
| +Common stock | 912 | 912 |
| Add. paid-in capital | 12,612 | 12,612 |
| Retained earnings | 34,504 | 39,162 |
| Total Liabilities & Shareholders' Equity | $ 73,176 | $ 74,624 |

* At lower of cost or market by the retail method.
# Less accumulated depreciation and amortization.
+ $0.12 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 1.33 |
| %Net Income to Sales | — | 0.85 |
| %Net Income to Equity | — | 3.01 |
| Sales to Inventories | 11.38 | 8.18 |
| Debt to Equity | 0.32 | 0.19 |
| Working Capital | $ 18,373,000 | $ 21,847,000 |
| Current Ratio | 2.68 | 2.75 |
| Shareholders' Equity | $ 48,028,000 | $ 52,686,000 |

## Convenient Food Mart, Inc.

9701 West Higgins Road
Suite 850
Rosemont, Illinois 60018
(312) 692-9150

NOTE: The Company voluntarily filed for protection and reorganization under Chapter 11 of the United States Bankruptcy Code on August 23, 1989.

**Officers:** Robert S. Risberg, president & chief exec. officer; George R. Thompson, exec. v.p., asst. secretary & pres.-CFM Franchising Co.; Raymond W. Starmann, Jr., exec. v.p.-finance; Martin J. Venturini, sr. v.p.- regional development; A. E. Jenkins, v.p. & chief financial officer; Stanley Bresler, secretary; Richard Y. Fisher, asst. secretary.

**Directors:** Harry O. Bresler, Stanley Bresler, Richard Y. Fisher, Robert S. Risberg, Donald E. Runge.

**Business Activities:** The Company, directly and through its network of regional franchisers, operates and franchises a system of 1,345 convenience-style retail food stores in 33 states, the District of Columbia, and parts of Canada. Of these 1,345 stores 473 are operated by the Company through its CFM Franchising Company subsidiary, and 75 are company-owned.

**Subsidiaries:**

CFM Franchising Company
CFM of New England, Inc.
CFM of Illinois, Inc.
Convenient Food Stores of Louisiana, Inc.

Convenient Franchising Leasing Corporation of America
CFM Service Corporation
Sunshine Foods, Inc.
Convenient Credit Corporation
World's Greatest Food Corporation

**Transfer Agent(s):**

LaSalle National Bank
Chicago, Illinois

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CFMI (NASDAQ)

**Number of Stores:***

| | | | |
|---|---|---|---|
| 1987 | 1,345 | 1984 | 1,134 |
| 1986 | 1,316 | 1983 | 1,096 |
| 1985 | 1,223 | | |

* Operated and/or franchised.

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1987 | $ 65,101,000 | $ 2,509,000 |
| 1986 | 19,027,000 | 2,211,000 |
| 1985 | 8,121,000 | 1,841,000 |
| 1984* | 14,618,000 | 2,007,000 |
| 1983 | 11,738,000 | 978,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 3,110,000 | $ 0.81 |
| 1986 | 2,981,000 | 0.74 |
| 1985 | 2,942,000 | 0.63 |
| 1984* | 3,024,000 | 0.66 |
| 1983 | 3,119,000 | 0.31 |

* 53 weeks.
‡ Based on the weighed average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ — | — | 11-for-10 |
| 1986 | — | 10% | |
| 1985 | 0.04 | — | 5-for-4 |
| 1984 | 0.21 | — | — |
| 1983 | 0.20 | — | — |

+ Adjusted to reflect stock dividend and stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per share ‡ |
|---|---|---|
| 1987 | $ 9,515,000 | $ 3.06 |
| 1986 | 7,514,000 | 2.52 |
| 1985 | 5,279,000 | 1.79 |
| 1984 | 3,566,000 | 1.18 |
| 1983 | 2,511,000 | 0.81 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

## Convenient Food Mart, Inc.

**Income Account**

| Year ended | 12/31/87 | 12/28/86 |
|---|---|---|
| Net sales | $ 65,100,648 | $ 19,026,774 |
| Rental expense | 6,912,369 | 947,067 |
| Product costs | 17,472,360 | 3,399,283 |
| Expenses | 8,699,444 | 5,048,614 |
| Corp. store costs | 23,354,539 | 6,138,618 |
| Depreciation and amortization | 3,513,360 | 125,932 |
| Interest expense (income) | 784,395 | (403,706) |
| Other income | — | (656,684) |
| Income before taxes | $ 4,364,181 | $ 4,427,650 |
| Income taxes | 1,855,000 | 2,217,000 |
| Net Income | $ 2,509,181 | $ 2,210,650 |

**Assets**

| As of | 12/31/87 | 12/28/86 |
|---|---|---|
| Cash | $ 4,720,038 | $ 2,944,169 |
| Accts. receiv., net | 13,135,660 | 6,615,218 |
| Due from unconsol. subsid. | 678,380 | — |
| *Inventories | 3,100,233 | 2,131,719 |
| Regional franchise rights held for resale | 590,826 | 1,504,772 |
| Property held for resale | 2,564,784 | 1,665,094 |
| Prepaid expenses | 2,207,662 | 443,038 |
| Current Assets | $ 26,997,583 | $ 15,304,010 |
| #Fixed assets | 8,054,393 | 5,382,389 |
| Other assets | 17,380,110 | 9,721,657 |
| Total Assets | $ 52,432,086 | $ 30,408,056 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 12,866,221 | $ 14,929,017 |
| Accts. payable | 3,666,099 | 2,057,403 |
| Accrued compensation | 541,500 | 902,243 |
| Other accruals | 826,090 | 443,822 |
| Income taxes | 103,474 | 1,046,832 |
| Curr. Liabilities | $ 18,003,384 | $ 19,379,317 |
| Long-term debt | 22,102,959 | 1,441,032 |
| Invest. in unconsol. subsid. | 171,219 | 205,119 |
| Rental secur. deposits | 1,168,263 | 857,515 |
| Deferred income | — | 296,401 |
| Deferred inc. taxes | 1,471,000 | 715,100 |
| +Common stock | 324,617 | 267,230 |
| Add. paid-in capital | 68,507 | 15,186 |
| Retained earnings | 10,111,514 | 7,658,656 |
| Treasury stock | (989,377) | (427,500) |
| Total Liabilities & Shareholders' Equity | $ 52,432,086 | $ 30,408,056 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.70 | 23.27 |
| %Net Income to Sales | 3.85 | 11.62 |
| %Net Income to Equity | 26.37 | 29.42 |
| Sales to Inventories | 21.00 | 8.93 |
| Debt to Equity | 3.68 | 2.18 |
| Working Capital | $ 8,994,199 | — |
| Current Ratio | 1.50 | — |
| Shareholders' Equity | $ 9,515,261 | $ 7,513,572 |

## C & R Clothiers Inc.

8660 Hayden Place
Culver City, California 90232
(213) 559-8200

**Officers:** Paul S. Reisbord, chairman of the board & president; Burton L. Kieffer, secretary; Elinor Johns, v.p.-human resources; Dianne Thomas, v.p.-advertising, sales promotion; Joel S. Adelman, exec. v.p.; John Olson, v.p.-operations; John Damiano, v.p.-merchandise; Jesse Stancarone, v.p.-management information systems; Harvey L. Kale, controller.

**Directors:** Paul S. Reisbord, chairman; Burton L. Kieffer, Harry Reisbord, Haya Reisbord.

**Business Activities:** Operates a chain of men's clothing stores located primarily in California.

**Transfer Agent(s):**

U.S. Stock Transfer Company
Glendale, California

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CLTH (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 64 | 1987 | 43 |
| 1988 | 61 | 1986 | 39 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 105,389,103 | $ 1,770,569 |
| 1988 | 82,317,380 | 573,017 |
| 1987 | 62,115,468 | 1,514,312 |
| 1986 | 57,239,905 | 714,670 |
| 1985* | 48,531,601 | 847,578 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 1,013,994 | $ 1.75 |
| 1988 | 1,012,466 | 0.57 |
| 1987 | 1,040,670 | 1.46 |
| 1986 | 1,076,567 | 0.66 |
| 1985* | 1,124,987 | 0.75 |

* 53 weeks
# Based on the weighted average number of shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1989 | $ 9,703,254 | $ 9.57 |
| 1988 | 7,884,911 | 7.79 |
| 1987 | 7,388,404 | 7.10 |
| 1986 | 6,151,718 | 5.71 |
| 1985 | 5,690,661 | 5.06 |

# Based on the weighted average number of shares outstanding.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 105,389,103 | $ 82,317,380 |
| Cost of sales | 58,403,634 | 46,550,921 |
| Expenses | 42,334,400 | 33,207,733 |
| Depreciation & amortization | 1,246,050 | 893,426 |
| Interest expense | 729,450 | 645,283 |
| Income before taxes | $ 2,675,569 | $ 1,020,017 |
| Income taxes | 1,208,000 | 447,000 |
| Cum. effect of acct. change | 303,000 | — |
| Net Income | $ 1,770,569 | $ 573,017 |

**Assets**

| As of Jan. | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 2,278,755 | $ 1,802,607 |
| *Inventories | 16,597,834 | 15,874,068 |
| Credit card, layaway & other receiv. | 1,531,989 | 727,773 |
| Refund. inc. taxes | — | 338,402 |
| Prepaid expenses | 1,064,904 | 697,861 |
| Deferred income taxes | 421,000 | — |
| Other curr. assets | 171,046 | 951,284 |
| Current Assets | $ 22,065,528 | $ 20,391,995 |
| #Fixed assets | 6,356,823 | 5,524,789 |
| Other assets | 337,228 | 342,966 |
| Total Assets | $ 28,759,579 | $ 26,259,750 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 1,104,996 | $ 3,704,996 |
| Accts. payable | 10,026,167 | 7,706,791 |
| Accruals | 2,774,659 | 2,166,947 |
| Income taxes | 1,391,539 | — |
| Capital lease obligation, curr. | 39,217 | — |
| Deferred income taxes | — | 221,090 |
| Curr. Liabilities | $ 15,336,578 | $ 13,799,824 |
| Notes payable | 2,596,670 | 3,701,670 |
| Capital lease obligation | 127,800 | — |
| Deferred inc. taxes | 591,000 | 695,536 |
| Other liabilities | 404,277 | 177,809 |
| +Common stock | 18,789 | 18,789 |
| Add. paid-in capital | 983,834 | 936,629 |
| Retained earnings | 10,422,635 | 8,652,066 |
| Treasury stock | (1,722,004) | (1,722,573) |
| Total Liabilities & Shareholders' Equity | $ 28,759,579 | $ 26,259,750 |

* At lower of average cost or market by the retail method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.54 | 1.24 |
| %Net Income to Sales | 1.68 | 0.70 |
| %Net Income to Equity | 18.25 | 7.27 |
| Sales to Inventories | 6.35 | 5.19 |
| Debt to Equity | 0.40 | 0.94 |
| Working Capital | $ 6,728,950 | $ 6,592,171 |
| Current Ratio | 1.44 | 1.48 |
| Shareholders' Equity | $ 9,703,254 | $ 7,884,911 |

## Crazy Eddie, Inc.

140 Carter Drive
Edison, New Jersey 08817
(201) 248-1410

**Officers:** Victor H. Palmieri, chairman of the board; Peter A. Martosella, Jr., president & chief executive officer; Michael Wilcoxson, executive v.p.-operations & asst. secretary; Frank S. Fuino, Jr., executive v.p.-finance, treasurer, chief financial officer & asst. sec.; T. David Mullen, v.p., secretary & general counsel.

**Directors:** Victor H. Palmieri, chairman; Elias Zinn, Michael Wilcoxson, John P. Harbin, John A. Koskinen, Frank E. Loy, Peter A. Martosella, Jr., Lawrence C. McQuade, Rex A. Sebastian, John V. Thornton.

**Business Activities:** Operates 26 home entertainment and consumer electronics retail stores in New York, New Jersey, Connecticut, and Pennsylvania under the Crazy Eddie name.

**Transfer Agent(s):**

NCNB Texas National Bank
Dallas, Texas

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CRZY (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 26 | 1986 | 23 |
| 1988 | 42 | 1985 | 15 |
| 1987 | 34 | | |

**Sales & Earnings**

| | Net Sales | Net Income # |
|---|---|---|
| 1989 | $ 253,398,000 | $ (954,000) |
| 1988 | 315,539,000 | (109,098,000) |
| 1987 | 352,523,000 | 10,596,000 |
| 1986 | 262,268,000 | 13,244,000 |
| 1985* | 136,319,000 | 5,829,000 |

| | No. of Com. Shares ‡ | Earn. per Share #‡ |
|---|---|---|
| 1989 | 30,957,000 | $ — |
| 1988 | 30,957,000 | — |
| 1987 | 31,204,000 | 0.34 |
| 1986 | 27,664,000 | 0.48 |
| 1985* | 24,212,000 | 0.24 |

(Loss)
* 9 months.
# Including extraordinary gain of $49,226,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | 2-for-1 |
| 1986 | — | — | 2-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ (19,702,000) † | $ — |
| 1988 | (18,756,000) † | — |
| 1987 | 93,260,000 | 2.99 |
| 1986 | 42,621,000 | 1.54 |
| 1985 | 23,861,000 | 0.99 |

(Deficiency)
† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account** *
(000's)

| Year ended | 2/26/89 | 2/28/88 |
|---|---|---|
| Net sales | $ 253,398 | $ 315,539 |
| Cost of sales | 201,958 | 346,791 |
| Expenses | 79,594 | 96,195 |
| Prov. for store clos. | 13,815 | — |
| Interest expense | 8,211 | 5,972 |
| Loss before taxes | $ (50,180) | $ (133,419) |
| Tax credit | — | (24,321) |
| Net Loss | $ (50,180) | $ (109,098) |
| Extraord. gain | 49,226 | — |
| Net Loss & extraord. gain | $ (954) | $ (109,098) |

* Included in Costs and Expenses, Depreciation and Amortization: $4,143,000 in 1989 and $4,305,000 in 1988.

**Assets**
(000's)

| As of | 2/26/89 | 2/28/88 |
|---|---|---|
| Cash | $ 2,187 | $ 5,100 |
| Short-term invest. | 7,937 | 9,846 |
| Accts. receiv., net | 1,900 | 3,529 |
| *Inventories | 38,490 | 59,444 |
| Prepaid inc. taxes | 137 | 32,077 |
| Prepaid expenses | 1,705 | 2,846 |
| Land & bldg. held for sale | 9,520 | — |
| Current Assets | $ 61,876 | $ 112,842 |
| #Fixed assets | 15,413 | 32,949 |
| Other assets | 2,234 | 3,008 |
| Total Assets | $ 79,523 | $ 148,799 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 20,546 | $ 24,500 |
| Long-term debt, curr. | — | 153 |
| Accts. payable | 24,709 | 42,752 |
| Unearned service contract rev. | 2,622 | 3,861 |
| Other accruals | 15,624 | 9,332 |
| Curr. Liabilities | $ 63,501 | $ 80,598 |
| Long-term debt | — | 632 |
| Conv. subord. deben. | 31,772 | 80,975 |
| Unearned service contract rev. | 3,934 | 5,332 |
| +Preferred stock | 18 | 18 |
| ++Common stock | 315 | 315 |
| Add. paid-in capital | 58,640 | 58,630 |
| Retained earnings (deficit) | (74,785) | (73,829) |
| Treasury stock | (3,872) | (3,872) |
| Total Liabilities & Shareholders' Equity | $ 79,523 | $ 148,799 |

* At lower of weighted average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. 12 1/2% cumulative, redeemable, convertible.
++ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 6.58 | 5.31 |
| Working Capital | — | $ 32,244,000 |
| Current Ratio | — | 1.40 |
| Shareholders' Equity (Deficiency) | $ (19,684,000) | $ (18,738,000) |

## Crocodile Garments Limited

79 Hoi Yuen Road
Kwun Tong, Hong Kong
3-425111

**Officers:** Shun Chan, chairman & managing director; Tom S. H. Chan, deputy managing director; Tan Chow Ng, executive director; Helen Li, executive director; Charles Y. K. Lee, Caleb Y. M. Chan, John C. N. Chui, secretary.

**Business Activities:** Operates retail stores in Hong Kong which sell men's, ladies' and children's clothing. Also, manufactures, imports and exports a wide variety of garments.

**Subsidiaries:**

Crocodile Investment Limited
Crocodile Development Limited
Crocodile Finance Limited
Crocodile Marketing System Limited
The Palm Restaurant Limited
Costroll Company Limited
Dackart Trading Company Limited
Crocodile Garments (U.S.) Limited

**Registrar:**

Pest, Marwick, Mitchell & Co.

**Stock Exchange(s):** Hong Kong

**Sales & Earnings** x

| | Net Sales | Net Income |
|---|---|---|
| 1987 | $ 500,238,961 | $ 58,262,726 |
| 1986 | 442,406,360 | 46,255,579 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1987 | 110,000,000 | $ 0.53 |
| 1986 | 110,000,000 | 0.42 |

x - In Hong Kong dollars.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.40 | — | — |
| 1986 | 0.40 | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1987 | $ 196,573,781 | $ 1.79 |
| 1986 | 182,311,055 | 1.66 |

**Income Account** *

| Year ended Mar. 31 | 1987 | 1986 |
|---|---|---|
| Net sales | $ 500,238,961 | $ 442,406,360 |
| Cost of sales & expenses | 430,239,733 | 386,251,776 |
| Income before taxes | $ 69,999,228 | $ 56,154,584 |
| Income taxes | 11,736,502 | 9,899,005 |
| Net Income | $ 58,262,726 | $ 46,255,579 |

* Included in Costs and Expenses, Depreciation and Amortization: $4,456,037 in 1987 and $4,364,481 in 1986.

**Assets**

| As of | | |
|---|---|---|
| Cash | $ 2,095,735 | $ 19,170,618 |
| Debtors, deposits and prepayments | 17,522,744 | 22,218,792 |
| *Stocks | 85,553,230 | 81,677,533 |
| Current Assets | $ 105,171,709 | $ 123,066,943 |
| Interest in subsid. | 122,869,775 | 59,614,643 |
| #Fixed assets | 19,928,358 | 19,328,949 |
| Trademarks | 1 | 1 |
| Total Assets | $ 247,969,843 | $ 202,010,536 |

**Liabilities**

| | | |
|---|---|---|
| Bank loans and overdrafts | $ 7,049,928 | $ 2,957,011 |
| Accts. payable | 3,812,012 | 6,949,277 |
| Accruals | 21,428,109 | 13,731,809 |
| Taxation | 4,369,568 | 29,200 |
| Proposed final dividend | 27,500,000 | 25,300,000 |
| Curr. Liabilities | $ 64,159,617 | $ 48,967,297 |
| Long-term debt | 24,000,000 | — |
| +Common stock | 110,000,000 | 110,000,000 |
| Reserves | 40,000,000 | 40,000,000 |
| Retained earnings | 9,810,226 | 3,043,239 |
| Total Liabilites & Shareholders' Equity | $ 247,969,843 | $ 202,010,536 |

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ HK$1 par value.

## Crocodile Garments Limited

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 13.99 | 12.69 |
| %Net Income to Sales | 11.65 | 10.46 |
| %Net Income to Equity | 36.46 | 30.22 |
| Sales to Inventories | 5.85 | 5.42 |
| Debt to Equity | 0.19 | 0.02 |
| Working Capital | $ 41,012,092 | $ 74,099,646 |
| Current Ratio | 1.64 | 2.51 |
| Shareholders' Equity | $ 159,810,226 | $ 153,043,239 |

## Crowley, Milner and Company

2301 West Lafayette
Detroit, Michigan 48216
(313) 962-2400

**Officers:** Robert B. Carlson, chairman; Andrew J. Soffel, president & chief executive officer; Thomas C. McCracken, v.p.-stores & chief operating officer; Craig S. Peterson, v.p.-merchandising; David Rogers, v.p.-human resources; Mark A. Vandenberg, treasurer & secretary.

**Directors:** Alfred M. Entenman, Jr.*, Richard S. Keys, Norbert A. Sylvester*, Robert E. Winkel*, Robert B. Carlson*, Paul R. Trigg, Jr.*, Joseph C. Keys*, JoAnn Standart Cousino*, Andrew J. Soffel*, Julius L. Pallone.

* Member of the Executive Committee

**Business Activities:** Operates 11 fashion department stores in the Detroit metropolitan and suburban Flint, Michigan, areas, retailing medium and high quality men's, women's and children's apparel and accessories, and decorative home furnishings.

**Transfer Agent(s):**

Comerica Bank-Detroit
Detroit, Michigan

**Stock Exchange(s):** American

**Ticker Symbol:** COM

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 11 | 1986 | 10 |
| 1988 | 11 | 1985 | 9 |
| 1987 | 12 | | |

**Sales & Earnings**

| | Net Sales ‡ | Net Income † |
|---|---|---|
| 1987 | $ 113,734,927 | $ (1,902,439) |
| 1986 | 112,961,154 | 1,739,633 |
| 1985 | 104,087,278 | 1,815,000 |
| 1984 | 92,927,448 | 2,391,000 |
| 1983 | 84,499,601 | 1,802,000 |

| | No. of Com. Shares | Earn. per Share † |
|---|---|---|
| 1988 | 509,067 | $ 1.35 |
| 1987 | 509,067 | — |
| 1986 | 509,067 | 3.42 |
| 1985 | 509,067 | 3.57 |
| 1984 | 509,067 | 4.70 |

(Loss)
† Including extraordinary loss of $80,140 ($0.15 per share) in 1988.
‡ Including sales of leased department.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.00 | — | — |
| 1987 | 1.00 | — | |
| 1986 | 1.00 | — | — |
| 1985 | 1.25 | — | — |
| 1984 | 1.00 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 19,285,885 | $ 37.88 |
| 1987 | 19,109,000 | 37.54 |
| 1986 | 21,521,000 | 42.28 |
| 1985 | 20,290,000 | 39.86 |
| 1984 | 19,112,000 | 37.54 |

**Income Account***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 110,741,261 | $ 113,734,927 |
| Other income | 292,785 | 218,540 |
| Total income | $ 111,034,046 | $ 113,953,467 |
| Cost of sales | 67,653,306 | 70,487,787 |
| Expenses | 39,953,522 | 42,013,304 |
| Restructuring charge | — | 2,298,461 |
| Interest expense | 1,511,240 | 1,719,262 |
| Other charges | 887,206 | 1,020,092 |
| Income (loss) bef. taxes | $ 1,028,772 | $ (3,585,439) |
| Income taxes (credit) | 263,000 | (1,683,000) |
| Net Income (Loss) | $ 765,772 | $ (1,902,439) |
| Extraord. loss | (80,140) | — |
| Net Income (Loss) & extraord. loss | $ 685,632 | $ (1,902,439) |

* Included in Costs and Expenses, Depreciation and Amortization: $3,199,481 in 1988 and $2,879,532 in 1987.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & short-term investments | $ 5,134,914 | $ 3,346,212 |
| Accts. receiv., net | 624,328 | 704,765 |
| *Inventories | 17,067,284 | 16,112,914 |
| Prepaid prop. taxes | 1,580,894 | 1,479,084 |
| Employee benefits | 541,343 | 582,211 |
| Other assets | 915,183 | 1,268,092 |
| Refundable inc. taxes | — | 1,061,954 |
| Deferred income taxes | 245,000 | 62,000 |
| Current Assets | $ 26,108,946 | $ 24,617,232 |
| #Fixed assets | 18,940,265 | 20,879,367 |
| Other assets | 2,106,434 | 2,148,474 |
| Total Assets | $ 47,155,645 | $ 47,645,073 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 638,000 | $ 430,000 |
| Cap. lease oblig. curr. | 223,227 | 379,418 |
| Property taxes | 1,913,295 | 1,831,499 |
| Accts. payable | 6,788,186 | 7,245,263 |
| Accrued payroll | 1,068,213 | 850,509 |
| Income taxes | 650,063 | 150,761 |
| Other taxes | 477,989 | 355,579 |
| Curr. Liabilities | $ 11,758,973 | $ 11,243,029 |
| Long-term debt | 9,871,000 | 10,990,000 |
| Cap. lease oblig. | 3,517,912 | 3,829,108 |
| Deferred inc. taxes | 1,642,000 | 1,504,000 |
| Other liabilities | 1,079,875 | 969,616 |
| +Common stock | 509,067 | 509,067 |
| Add. paid-in capital | 2,240,558 | 2,240,558 |
| Retained earnings | 16,536,260 | 16,359,695 |
| Total Liabilities & Shareholders' Equity | $ 47,155,645 | $ 47,645,073 |

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.93 | — |
| %Net Income to Sales | 0.69 | — |
| %Net Income to Equity | 3.97 | — |
| Debt to Equity | 6.49 | 0.82 |
| Working Capital | 0.74349,973 | $ 13,374,203 |
| Current Ratio | 2.22 | 2.19 |
| Shareholders' Equity | $ 19,285,885 | $ 19,109,320 |

## Crown American Corporation

131 Market Street
Johnstown, Pennsylvania 15907
(814) 536-4441

NOTE: Privately held.

**Officers:** (Hess's Department Stores, Inc.) , Irwin Greenberg, president & chief exec. officer; Kenneth A. Hinkle, II, sr. v.p.-finance; Stephen J. Furst, exec. v.p.-operations; Joseph Bigatel, sr. v.p. & general merchandise manager, home furnishings; Larry Baughman, v.p. & div. merchanidse mgr.-housewares; Fred Bentelspacher, sr. v.p., director of sales promotion & public relations; Howard Coleman, exec. v.p.-merchandising; Richard Kula, v.p. & director-management information systems; John Murphy, v.p. & director-planning & operations; Wolfgang Otto, v.p. & director-graphic communications; James Quigley, v.p. & director-distribution; Nicholas Banevane, v.p. & gen. mdse. mgr.-menswr., chld.'s intimate app., women's access.; Carol Clarke, v.p. & div. mdse. mgr.-cosmetics; Dennis DeFrain, v.p. & mdse. controller; Richard Johnson, v.p. & div. mdse. mgr.-intimate apparel & fashion accessories; Adolf Klova, v.p.-director of advertising; Walter Loyle, v.p. & div. mdse. mgr.-boys' and young men's; Cindy Schneider, v.p. & gen. mdse. mgr.-misses & junior sportswear; William Jenkins, v.p. & dir.-data processing; Bruce Kratz, v.p. & dir.-personnel; Cal Matichak, v.p. & reg. dir.-central Pennsylvania stores; James Miller, v.p. and asst. dir.-distribution; Scott Ratarsky, v.p. & regional dir.-East Tennessee stores; Manny Stratos, v.p. & div. mdse. mgr.-furniture; Kathy Tyminski, v.p. & div. mdse. mgr.-misses better sportswear; John Belletti, v.p. & regional dir.-Western Pennsylvania stores; Richard Johnson, v.p. & div. mdse. mgr.-intimate apparel.

**Directors:** (Crown American Corporation , Hess's Department Stores, Inc.); Frank J. Pasquerilla, chairman; Irwin Greenberg, Marlin R. Havener, Fred Bentelspacher, Nicholas O. Antonazzo, Joseph W. Bigatel, Stephen J. Furst, Mark E. Pasquerilla, Nicholas J. Pasquerilla, Thomas G. Fetsko, Howard Coleman, Paul K. Kiever, John A. Washko, Kenneth A. Hinkle, II.

**Business Activities:** Through its Hess's Department Stores, Inc. subsidiary, the Company operates 72 full-time department stores in Pennsylvania, New York, Maryland, Virginia, Tennessee, Georgia, Kentucky, North Carolina, Indiana and West Virginia. Also develops shopping centers and operates hotels.

**Subsidiary:**

Hess's Department Stores, Inc.
Hamilton Mall at Ninth Street
Allentown, Pennsylvania 18101
(215) 821-4377

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 72 | 1985 | 40 |
| 1987 | 71 | 1984 | 37 |
| 1986 | 43 | | |

NOTE: The following statement of operations is for Hess's Department Stores and its subsidiaries.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 613,769,000 | $ 8,404,000 |
| 1988 | 516,656,000 | 10,669,000 |
| 1987 | 367,545,000 | 15,822,000 |
| 1986 | 330,706,000 | 14,618,000 |
| 1985 | 273,590,000 | 11,651,000 |

**Income Account** *
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 613,769 | $ 516,565 |
| Cost of sales | 464,961 | 383,124 |
| Expenses | 118,051 | 94,282 |
| Interest expense | 17,433 | 14,474 |
| Interest income | (532) | (1,535) |
| Discount expense | 8,067 | 7,931 |
| Gain on sale of rl. est. | (7,290) | (13) |
| Income before taxes | $ 13,079 | $ 18,302 |
| Income taxes | 4,675 | 7,633 |
| Net Income | $ 8,404 | $ 10,669 |

* Included n Costs and Expenses, Depreciation and Amortization: $20,260,000 in 1989 and $15,381,000 in 1988.

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & cash equiv. | $ 30,638 | $ 35,927 |
| *Inventories | 118,839 | 108,384 |
| Prepaid expenses | 6,759 | 6,342 |
| Deferred inc. taxes | 452 | 453 |
| Current Assets | $ 156,688 | $ 151,106 |
| #Fixed assets | 123,706 | 134,201 |
| Other assets | 1,753 | 2,316 |
| Intangibles | 57,541 | 59,028 |
| Total Assets | $ 339,688 | $ 346,651 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 12,610 | $ 12,211 |
| Accts. payable | 33,453 | 43,481 |
| Co-worker compens. | 5,539 | 5,177 |
| Accruals | 12,555 | 16,045 |
| Deferred gain on sale-leaseback | 773 | 378 |
| Income taxes | 431 | 6,832 |
| Curr. Liabilities | $ 65,361 | $ 84,124 |
| Long-term debt | 141,224 | 147,416 |
| Deferred gain on sale-leaseback | 11,671 | 4,763 |
| Deferred inc. taxes | 4,392 | 1,713 |
| +Common stock | 1,460 | 1,460 |
| Add. paid-in capital | 8,518 | 8,517 |
| Retained earnings | 107,693 | 99,289 |
| Treasury stock | (631) | (631) |
| Total Liabilities & Shareholders' Equity | $ 339,688 | $ 346,651 |

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.13 | 3.54 |
| %Net Income to Sales | 1.37 | 2.07 |
| %Net Income to Equity | 7.18 | 9.82 |
| Sales to Inventories | 5.16 | 4.77 |
| Debt to Equity | 1.31 | 1.67 |
| Working Capital | $ 91,327,000 | $ 66,982,000 |
| Current Ratio | 2.40 | 1.80 |
| Shareholders' Equity | $ 117,040,000 | $ 108,635,000 |

## Crown Books Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

(52.8%-owned by Dart Group Corporation)

**Officers:** Herbert H. Haft, chairman of the board; Robert M. Haft, president & chief executive officer; Gloria G. Haft, secretary; Jeanne Herrick, exec. vice president; Jose Gonzalez, exec. vice president; Richard J. Koll, treasurer & chief financial officer; Miriam Bass, asst. v.p.; Mary Anne Deeney, asst. v.p.; Judy Evans, asst. v.p.; Steve Hall, asst. v.p.; George Turner, asst. v.p..

**Directors:** Herbert H. Haft, chairman; Robert M. Haft, Gloria G. Haft, James G. Leonard, Claudine B. Malone.

**Business Activities:** Operates 220 specialty retail book stores in the Washington D.C., Chicago, Houston, Los Angeles, San Francisco, San Diego, and Seattle metropolitan areas, offering hardback books, paperbacks, magazines, and computer books and software, generally below publishers' suggested retail prices.

**Subsidiaries:**

Crown Books East Corporation
Crown Books West Corporation
Crown DHC Corporation

**Transfer Agent(s):**

Riggs National Bank
Washington, Washington D.C.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** CRWN (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 220 | 1986 | 187 |
| 1988 | 204 | 1985 | 181 |
| 1987 | 199 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 183,821,000 | $ 9,981,000 |
| 1988 | 168,979,000 | 6,182,000 |
| 1987 | 154,341,000 | 5,500,000 |
| 1986 | 137,245,000 | 6,680,000 |
| 1985 | 114,439,000 | 6,481,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 5,237,000 | $ 1.91 |
| 1988 | 5,277,000 | 1.17 |
| 1987 | 6,258,000 | 0.88 |
| 1986 | 8,005,000 | 0.83 |
| 1985 | 8,000,000 | 0.81 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 62,888,000 | $ 12.01 |
| 1988 | 54,680,000 | 10.36 |
| 1987 | 48,911,000 | 7.82 |
| 1986 | 80,400,000 | 10.04 |
| 1985 | 73,720,000 | 9.22 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 183,821 | $ 168,979 |
| Other income | 3,472 | 2,701 |
| Total income | $ 187,293 | $ 171,680 |
| Cost of sales | 139,544 | 134,289 |
| Expenses | 28,961 | 22,600 |
| Depreciation & amortization | 1,477 | 2,296 |
| Interest expense | 663 | 902 |
| Income bef. taxes | $ 16,648 | $ 11,593 |
| Income taxes | 6,667 | 5,411 |
| Net Income | $ 9,981 | $ 6,182 |

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 3,102 | $ 4,367 |
| Market securities | 52,157 | 43,641 |
| Accts. receiv., net | 2,580 | 2,602 |
| Due from affil. | — | 8 |
| *Inventories | 37,838 | 34,111 |
| Def. inc. tax benefit | 345 | — |
| Other curr. assets | 191 | 303 |
| Current Assets | $ 96,213 | $ 85,032 |
| #Fixed assets | 7,318 | 7,541 |
| Other assets | 123 | 135 |
| Total Assets | $ 103,654 | $ 92,708 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Cap. lease oblig., curr. | $ 597 | $ 1,314 |
| Accts. payable | 22,471 | 21,421 |
| Accrued payroll | 2,940 | 1,805 |
| Accrued taxes | 1,124 | 1,043 |
| Other accruals | 4,875 | 2,952 |
| Due to affiliates | 37 | — |
| Income taxes | 2,544 | 2,634 |
| Deferred inc. taxes | — | 8 |
| Curr. Liabilities | $ 34,588 | $ 31,177 |
| Cap. lease oblig. | 3,946 | 4,498 |
| Reserve for closed stores | 1,965 | 2,269 |
| Deferred inc. taxes | 267 | 84 |
| +Common stock | 53 | 53 |
| Add. paid-in capital | 37,846 | 37,841 |
| Retained earnings | 27,181 | 17,200 |
| Treasury stock | (2,192) | (414) |
| Total Liabilities & Shareholders' Equity | $ 103,654 | $ 92,708 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 9.06 | 6.86 |
| %Net Income to Sales | 5.43 | 3.66 |
| %Net Income to Equity | 15.87 | 11.31 |
| Sales to Inventories | 4.86 | 4.95 |
| Debt to Equity | 0.07 | 0.11 |
| Working Capital | $ 61,625,000 | $ 53,855,000 |
| Current Ratio | 2.78 | 2.73 |
| Shareholders' Equity | $ 62,888,000 | $ 54,680,000 |

## Crystal Brands, Inc.

Crystal Brands Road
Southport, Connecticut 06490
(203) 254-6200

**Officers:** Richard R. Kral, chairman of the board & chief exec. officer; Gerald M. Chaney, v.p. & chief financial officer; Micheal B. McLearn, v.p., general counsel & secretary; Edward B. Dailey, exec. v.p.; Charles J. Smith, exec. v.p.; Jeffrey Jablow, president-Izod Lacoste Youthwear; James A. Northrop, president-Crystal Brands jewelry; Robert J. Wichser, president-Women's Apparel Group; Charles Salzmann, president-Golf & Tennis Division; Jay Shaw, president-Men's Sportswear Group; Ralph L. Shannon, president-Retail Group; Brian J. Tart, exec. v.p.;

## Crystal Brands, Inc.

James D. Wilson, v.p.-human resources; John Schofield, v.p.-worldwide sourcing.

**Directors:** Richard F. Kral, chairman; John H. Mullin, III, Francis C. Rooney, Jr., Gorden E. Allen, Allan J. Bloostein.

**Business Activities:** Operates Fashion Flair retail stores, which sell Izod and Lacoste discontinued apparel and excess inventory and out-of-season Ship'n Shore apparel. Operates 49 Izod Lacoste apparel departments in department stores located throughout the country. Also operates a Gant retail clothing store, featuring Gant tailored clothing for men and boys, in Manhattan. In addition, the Company manufactures and markets men's, women's and children's tailored clothing, dress furnishings, and sportswear under the Izod, Lacoste, Ship'n Shore, Evan-Picone, Gant, Haspel, Eagle Shirtmakers, William Barry, Blassport, Austin Hill and other brands, and costume jewelry and accessories under the brand names Monet, Trifari, and Marvella.

**Divisions and Subsidiaries:**

Izod, Ltd.
Men's, women's and children's sportswear.

Fashion Flair, Inc.
Retail operations.

Golf & Tennis Division
Active sportswear for men, women and children.

Ship'n Shore, Inc.
Bridgewater-at-Aston
Aston, Pennsylvania 19014
(215) 494-2000
Apparel for women.

Monet
P.O. Box 376
Murray Hill Station
New York, New York 10016
(212) 725-4700
Fashion jewelry.

**Acquisitions:**

Palm Beach Incorporated
400 Pike Street
Cincinnati, Ohio 45202
(513) 241-4260
Designs, manufactures, and markets tailored suits, sportcoats and sportswear for men and boys, and contemporary dresses, separates and tailored sportswear for women.

Trifari, Krussman and Fishel, Inc.
Produces and markets fine-quality costume jewelry under the Trifari and Marvella brand names.

**Transfer Agent(s):**

The Bank of New York
Stock Transfer Administration
90 Washington Street
New York, New York 10015

**Stock Exchange(s):** New York

**Ticker Symbol:** CBR

N.A.- Not Available

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 12/31/88 | $ 432,465,000 | $ 14,648,000 |
| 12/27/87 | 359,814,000 | 15,993,000 |
| 12/28/86* | 367,607,000 | 8,572,000 |
| 5/25/86 | 395,035,000 | 2,385,000 |
| 5/26/85 | 481,930,000 | (43,372,000) |

| | No. of Com. Shares ‡ | Earn. per Share ‡ † |
|---|---|---|
| 12/31/88 | 9,000,591 | $ 1.63 |
| 12/27/87 | 8,966,489 | 1.78 |
| 12/28/86* | 8,956,454 | 0.96 |
| 5/25/86 | 8,953,887 | 0.27 |

(Loss)
* Unaudited.
† Including extraordinary gain of $2,626,000 ($0.29 per share) in 1987.
‡ Based on the weighted average number of common shares outstanding during the year.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 219,753,000 | $ 24.42 |
| 12/27/87 | 205,937,000 | 22.97 |
| 12/28/86 | 188,657,000 | 21.06 |
| 5/25/86 | 187,845,000 | 20.98 |

‡ Based on the weighted average number of common shares outstanding during the year.

**Income Account * (000's)**

| Year ended | 12/31/88 | 12/27/87 |
|---|---|---|
| Net sales | $ 432,465,000 | $ 359,814,000 |
| Cost of sales | 272,714,000 | 230,020,000 |
| Expenses | 131,816,000 | 102,443,000 |
| Interest expense | 5,453,000 | 3,729,000 |
| Inc. before taxes | $ 22,482,000 | $ 23,622,000 |
| Income taxes | 7,834,000 | 10,255,000 |
| Net income | $ 14,648,000 | $ 13,367,000 |
| Extraord. gain | — | 2,626,000 |
| Net income & extraord. gain | $ 14,648,000 | $ 15,993,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $11,198,000 in 1988 and $8,136,000 in 1987.

**Assets (000's)**

| As of | 12/31/88 | 12/27/87 |
|---|---|---|
| Cash & cash equiv. | $ 32,948 | $ 72,205 |
| Acct. receiv., net | 102,995 | 43,771 |
| *Inventories | 238,817 | 91,117 |
| Other curr. assets | 11,281 | 2,666 |
| Current Assets | $ 386,041 | $ 209,759 |
| #Fixed assets | 105,455 | 52,015 |
| Goodwill | 145,566 | 33,964 |
| Intangibles | 88,157 | 4,361 |
| Other assets | 8,967 | 5,363 |
| Total Assets | $ 734,186 | $ 305,462 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Short-term debt & long-term debt, curr. | $ 64,341 | $ 5,736 |
| Accts. payable | 53,209 | 12,317 |
| Accrued expenses | 28,379 | 11,945 |
| Accrued payroll | 16,746 | 9,537 |
| Accrued interest | 2,766 | 1,596 |
| Accrued inc. taxes | 5,620 | 1,291 |
| Other accruals | 1,184 | 1,564 |
| Curr. Liabilities | $ 172,245 | $ 43,986 |
| Long-term debt | 331,642 | 90,228 |
| Deferred inc. taxes & other liab. | 10,546 | 5,311 |
| +Common stock | 187,056 | 185,975 |
| Retained earnings | 30,445 | 17,598 |
| Cum. for. curr. trans. | 2,252 | 2,364 |
| Total Liabilities & Shareholders' Equity | $ 734,186 | $ 305,462 |

* At lower of cost (FIFO) or market; certain domestic inventories at LIFO.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.20 | 6.57 |
| %Net Income to Sales | 3.39 | 3.71 |
| %Net Income to Equity | 6.67 | 6.49 |
| Sales to Inventories | 1.81 | 3.95 |
| Debt to Equity | 1.80 | 0.27 |
| Working Capital | $ 213,796,000 | $ 165,773,000 |
| Current Ratio | 2.24 | 4.77 |
| Shareholders' Equity | $ 219,753,000 | $ 205,937,000 |

## Dairy Mart Convenience Stores, Inc.

240 South Road
Enfield, Connecticut 06082
(203) 741-3611

**Officers:** Charles Nirenberg, chairman & chief exec. officer; Frank Colaccino, president & chief operating officer; Lawrence D. Handler, exec. v.p. & chief financial officer; Steven J. Montgomery, exec. v.p.-operations & marketing; Gerald E. Wagner, v.p.-gasoline operations; Bruce W. Weir, v.p.-management information systems.

**Directors:** Charles Nirenberg, chairman; Stanford N. Goldman, Jr., Frank W. Barrett, Lawrence D. Handler, Theodore W. Leed, Steven J. Montgomery, Frank Colaccino.

**Business Activities:** Operates 1,133 convenience stores in 11 states in the Northeast, Midwest and Southeast, of which 702 stores are owned by the Company and 431 are franchised. These stores operate under the name "Dairy Mart" in New England and the Midwest, and "Convenient Food Mart" in the Southeast. Many of the Company's convenience stores (430) also dispense gasoline.

**Divisions and Subsidiaries:**

Dairy Mart, Inc.
Enfield, Connecticut
Operates Dairy Mart convenience stores in the Northeast.

Midwest Division
Cuyahoga Falls, Ohio
Operates convenience stores in the Midwest under the "Dairy Mart" name.

CONNA Corporation
Louisville, Kentucky
Operates convenience stores under the "Convenient Food Mart" name and gas stations under the "Convenient Gas" name.

**Transfer Agent(s):**

American Stock Transfer Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DMCVA (Class A), DMCVB (Class B) (NASDAQ)

**Number of Stores:***

| | | | |
|---|---|---|---|
| 1989 | 1,133 | 1987 | 1,207 |
| 1988 | 1,188 | 1986 | 933 |

* Includes franchised stores.

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1989 | $ 519,876,000 | $ 4,106,000 |
| 1988 | 529,278,120 | 4,023,000 |
| 1987 | 398,966,000 | (3,516,000) |
| 1986 | 257,666,000 | 2,217,000 |
| 1985 | 72,622,000 | 1,292,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1989 | 4,376,000 | $ 0.94 |
| 1988 | 4,690,000 | 0.86 |
| 1987 | 4,593,000 | — |
| 1986 | 3,137,000 | 0.71 |
| 1985 | 2,566,000 | 0.50 |

(Loss)
† Including extraordinary gain of $300,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | — |
| 1986 | — | 10% | — |
| 1985 | — | 10% | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 30,049,000 | $ 6.87 |
| 1988 | 29,118,000 | 6.21 |
| 1987 | 26,724,000 | 5.82 |
| 1986 | 29,634,000 | 9.45 |
| 1985 | 6,794,000 | 2.65 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

**Income Account***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 519,876,082 | $ 529,278,266 |
| Cost of sales | 377,252,367 | 384,811,157 |
| Expenses | 130,504,622 | 129,941,824 |
| Interest expense | 7,094,103 | 7,696,154 |
| Interest loss (inc.) | (66,424) | 194,896 |
| Loss (gain) on sale of prop. | 237,170 | (226,354) |
| Other expense (income) | (2,903,529) | 189,291 |
| Income before taxes | $ 7,757,773 | $ 6,671,298 |
| Income taxes | 3,652,000 | 2,948,000 |
| Net Income | $ 4,105,773 | $ 3,723,298 |
| Extraord. gain | — | 300,000 |
| Net Income & extraord. gain | $ 4,105,773 | $ 4,023,298 |

* Included in Costs and Expenses, Depreciation and Amortization: $11,098,258 in 1989 and $10,420,179 in 1988.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 2,252,057 | $ 3,033,005 |
| Marketable securities | — | 298,100 |
| Accts. receiv., net | 5,821,102 | 5,950,153 |
| *Inventories | 22,638,297 | 27,518,457 |
| Prepaid expenses | 1,807,970 | 2,716,271 |
| Refund. inc. taxes | — | 1,962,332 |
| Current Assets | $ 32,519,426 | $ 41,478,318 |
| #Fixed assets | 74,286,208 | 71,315,901 |
| Other assets | 33,711,932 | 33,930,392 |
| Total Assets | $ 140,517,566 | $ 146,724,611 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 689,286 | $ 3,206,839 |
| Cap. lease oblig., curr. | 1,315,795 | 817,801 |
| Accts. payable | 23,348,869 | 24,043,361 |
| Accruals | 10,690,511 | 9,167,532 |
| Curr. Liabilities | $ 36,044,461 | $ 37,235,533 |
| Long-term debt | 60,584,566 | 68,324,492 |
| Cap. lease oblig. | 4,871,897 | 4,992,599 |
| Reserve for pension withdrawal liab. | 3,129,000 | 2,900,000 |
| Other liabilities | 3,253,748 | 2,502,336 |
| Deferred inc. taxes | 2,584,799 | 1,651,800 |
| +Common stock | 47,312 | 47,088 |
| Add. paid-in capital | 26,090,423 | 26,059,005 |
| Retained earnings | 8,851,207 | 5,135,848 |
| Treasury stock | (4,939,847) | (2,124,090) |
| Total Liabilities & Shareholders' Equity | $ 140,517,566 | $ 146,724,611 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.49 | 1.26 |
| %Net Income to Sales | 0.79 | 0.76 |
| %Net Income to Equity | 13.66 | 13.82 |
| Sales to Inventories | 22.96 | 19.23 |
| Debt to Equity | 2.25 | 2.66 |
| Working Capital | — | $ 4,242,785 |
| Current Ratio | — | 1.11 |
| Shareholders' Equity | $ 30,049,095 | $ 29,117,851 |

## Danners, Inc.

(Acquired by Indian LP, a private corp., on Dec. 29, 1987)

800 East Main Street
P.O. Box 2010
Sanford, North Carolina 27330
(919) 776-7611

**Officers:** Fred W. Concklin, chairman & chief executive officer; C. David Birdwell, president & chief operating officer; C. Wilson Sawyer, executive v.p.; Sharon L. Ferrell, sr. v.p.-finance, chief financial officer, secretary & treasurer; Robert C. Bolsinger, v.p.-finance & controller; .

**Directors:** Fred W. Concklin, chairman of the board; C. David Birdwell, Robert H. Reynolds, Eric A. Schwartz, Michael L. Schwartz, L. Gene Tanner.

**Business Activities:** Operates a chain of eighteen 3D Discount Department Stores in Indiana and Michigan.

**Divisions and Subsidiaries:**

3D Discount Store Division
Damax International, Inc.
DRE, Inc.

**Number of Stores:** (at fiscal year end)

| | Discount Stores | Variety Stores |
|---|---|---|
| 1986 | 18 | — |
| 1985 | 36 | — |
| 1984 | 35 | 12 |
| 1983 | 35 | 12 |
| 1982 | 35 | 23 |

**Sales & Earnings x**

| | Net Sales | Net Income |
|---|---|---|
| 1986 | $ 149,718,000 | $ (19,118,000) |
| 1985 | 171,313,000 | (365,000) |
| 1984* | 189,022,000 | (302,000) |
| 1983 | 166,065,899 | (728,000) |
| 1982 | 163,217,583 | 742,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1986 | 488,295 | $ — |
| 1985 | 488,295 | — |
| 1984* | 488,295 | — |
| 1983 | 488,295 | — |
| 1982 | 488,295 | 1.52 |

(Loss)
* 53 weeks.
x Restated to reflect change in inventory cost method from LIFO to FIFO.
‡ Based on the average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1986 | $ — | — | — |
| 1985 | — | — | |
| 1984 | 0.20 | — | — |
| 1983 | 0.10 | — | — |
| 1982 | 0.20 | — | — |

**Common Stock Equity x**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1986 | $ (3,646,000) | $ — |
| 1985 | 15,472,000 | 31.69 |
| 1984 | 15,837,000 | 32.43 |
| 1983 | 16,237,000 | 33.25 |
| 1982 | 17,014,000 | 34.84 |

(Deficiency)
x Restated.
‡ Based on the average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended | 1/31/87 | 2/1/86‡ |
|---|---|---|
| Net sales | $ 149,718,000 | $ 171,313,000 |
| Other income | 1,745,000 | 1,400,000 |
| Gain (loss) on disposition | (1,976,000) | 763,000 |
| Total income | $ 149,487,000 | $ 173,476,000 |
| Cost of sales | 123,498,000 | 128,820,000 |
| Expenses | 32,879,000 | 38,841,000 |
| Depreciation & amortization | 1,867,000 | 2,214,000 |
| Interest expense | 3,184,000 | 3,975,000 |
| Loss on dispos. of disc. div. units | 7,138,000 | — |
| Loss bef. taxes | $ (19,079,000) | $ (374,000) |
| Income taxes (credit) | 39,000 | (9,000) |
| Net Loss | $ (19,118,000) | $ (365,000) |

**Assets**

| As of | 1/31/87 | 2/1/86‡ |
|---|---|---|
| Cash | $ 284,000 | $ 1,145,000 |
| *Inventories | 11,847,000 | 37,539,000 |
| Assets held for dispos. | 4,265,000 | — |
| Prepaid expenses | 654,000 | 1,801,000 |
| Current Assets | $ 17,050,000 | $ 40,485,000 |
| #Fixed assets | 11,690,000 | 16,583,000 |
| Other assets | 2,888,000 | 5,641,000 |
| Total Assets | $ 31,628,000 | $ 62,709,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 3,000,000 | — |
| Accts. payable | 9,178,000 | 9,611,000 |
| Accrued payroll | 584,000 | 446,000 |
| Other accruals | 429,000 | 1,591,000 |
| Local taxes | 1,377,000 | 1,281,000 |
| Income taxes | — | 10,000 |
| Long-term debt, curr. | 1,919,000 | 978,000 |
| Curr. Liabilities | $ 16,487,000 | $ 13,917,000 |
| Long-term debt | 14,064,000 | 28,846,000 |
| Cap. lease oblig. | 4,025,000 | 4,474,000 |
| Other debt | 698,000 | — |
| +Common stock | 1,748,000 | 1,748,000 |
| Retained earnings (def.) | (5,394,000) | 13,724,000 |
| Total Liabilities & Shareholders' Equity | $ 31,628,000 | $ 62,709,000 |

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 12.64 | 4.50 |
| Debt to Equity | — | 2.22 |
| Working Capital | $ 563,000 | $ 26,568,000 |
| Current Ratio | 1.03 | 2.91 |
| Shareholders' Equity (Deficiency) | $ (3,646,000) | $ 15,472,000 |

## Dart Group Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

**Officers:** Herbert H. Haft, chairman of the board & chief executive officer; Robert M. Haft, president & chief operating officer; Richard J. Koll, exec. v.p. & chief financial officer; Linda G. Haft, sr. v.p.; Gloria G. Haft, v.p.; Robert B. Hirsch, asst. secretary; Dennis N. Weiss, exec. v.p.-real estate; Daniel A. Garcia, Jr., v.p.-personnel; S. John Steines, v.p.-loss prevention; Elliott R. Arditti, v.p.-legal; Ron Rice, asst. v.p.; George Skinsacos, asst. v.p..

**Directors:** Herbert H. Haft, Gloria Haft, Robert Haft, Warren Tydings, Claudine B. Malone.

**Business Activities:** Operates retail discount auto parts stores through Trak Auto Corporation (a 68%-owned subsidiary), retail discount book stores through Crown Books Corporation (54%-owned), retail discount grocery stores through Jumbo Food Stores, Inc. (majority-owned), and a financial business through Dart Group Financial Corporation.

**Subsidiaries:**

Trak Auto Corporation (68%-owned)
3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

Operates 274 retail discount auto parts stores in the Washington, D.C.; Baltimore, Maryland; Richmond, Virginia; Chicago, Illinois; and Los Angeles, California, metropolitan areas.

Crown Books Corporation (54%-owned)
3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

Operates 220 retail discount book stores in the Washington, D.C.; Los Angeles, California; Chicago, Illinois; San Francisco, California; San Diego, California; Houston, Texas; and Seattle, Washington, metropolitan areas.

**Acquisition:**

Jumbo Food Stores, Inc.
Landover, Maryland

Operates 18 retail discount grocery stores under the name "Shoppers Food Warehouse" in the Washington, D.C., metropolitan area.

**Transfer Agent(s):**

Riggs National Bank
Washington, Washington D.C.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DARTA (NASDAQ)

**Sales & Earnings**

| | Net Sales * | Net Income + |
|---|---|---|
| 1989 | $ 660,091,000 | $ 28,659,000 |
| 1988 | 406,779,000 | (19,726,000) |
| 1987 | 367,401,000 | 30,727,000 |
| 1986 | 119,349,000 | 9,870,000 |
| 1985 | 90,225,000 | 82,322,000 |

| | No. of Com. Shares † | Earn. per Share +‡ |
|---|---|---|
| 1989 | 1,734,677 | $ 15.52 |
| 1988 | 1,731,844 | — |
| 1987 | 1,723,580 | 16.43 |
| 1986 | 1,712,130 | 5.28 |
| 1985 | 1,703,915 | 45.15 |

(Loss)
* Of continuing operations only.
+ Including extraordinary gain of $2,510,000 ($1.36 per share) in 1989 and extraordinary losses of $813,000 in 1988 and $5,258,000 ($2.81 per share) in 1987.
† Class A and Class B common stock combined.
‡ Based on the weighted average number of Class A and Class B common stock outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.13 | — | — |
| 1988 | 0.13 | — | |
| 1987 | 0.13 | — | — |
| 1986 | 0.13 | — | — |
| 1985 | 0.13 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 252,651,000 | $ 145.65 |
| 1988 | 223,895,000 | 129.28 |
| 1987 | 243,290,000 | 141.15 |
| 1986 | 197,566,000 | 115.39 |
| 1985 | 187,576,000 | 110.09 |

‡ Based on Class A and Class B common stock combined.

**Income Account**
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 632,587 | $ 381,145 |
| Income from bankers' accept. | 14,088 | 11,944 |
| Other income | 13,416 | 13,690 |
| Total income | $ 660,091 | $ 406,779 |
| Cost of sales | 508,809 | 301,789 |
| Expenses | 100,346 | 59,652 |
| Depreciation & amortization | 6,598 | 4,789 |
| Interest expense | 22,202 | 24,321 |
| Unusual items | (34,663) | 19,006 |
| Income (loss) before taxes | $ 56,799 | $ (2,778) |
| Income taxes | 21,412 | 12,571 |
| Minority interest | 9,238 | 3,564 |
| Net Income (Loss) | $ 26,149 | $ (18,913) |
| Extraord. items | 2,510 | (813) |
| Net Income (Loss) & extraord. items | $ 28,659 | $ (19,726) |

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 17,490 | $ 13,312 |
| Bankers' accept. | 189,949 | 178,682 |
| Market. secur. | 176,755 | 172,767 |
| Accts. receiv., net | 11,270 | 7,744 |
| *Inventories | 130,909 | 104,180 |
| Inc. taxes refund. | — | 9,244 |
| Deferred tax benefit | 666 | 2,467 |
| Other curr. assets | 1,517 | 1,121 |
| Current Assets | $ 528,556 | $ 489,517 |
| #Fixed Assets | 50,477 | 30,287 |
| Intangibles | 10,672 | — |
| Debenture costs | 1,842 | 2,306 |
| Def. tax benefit | 548 | 1,718 |
| Other assets | 1,201 | 1,114 |
| Total Assets | $ 593,296 | $ 524,942 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 192 | $ 4 |
| Accts. payable | 77,350 | 64,233 |
| Inc. taxes payable | 18,909 | — |
| Accrued payroll | 10,378 | 9,110 |
| Accrued taxes | 3,647 | 2,632 |
| Accrued interest | 6,586 | 7,163 |
| Other accruals | 13,134 | 9,452 |
| Oblig. under cap. leases, curr. | 1,724 | 2,361 |
| Curr. Liabilities | $ 131,920 | $ 94,955 |
| Long-term debt | 425 | 62 |
| Subord. deben. | 124,449 | 135,267 |
| Oblig. under cap. leases | 21,579 | 22,822 |
| Reserve for closed stores | 1,965 | 2,269 |
| Minority interest | 60,307 | 45,672 |
| + Common stock: | | |
| Class A | 1,634 | 1,631 |
| Class B | 303 | 303 |
| Add. paid-in capital | 64,403 | 64,118 |
| Retained earnings | 188,060 | 159,592 |
| Treasury stock | (1,749) | (1,749) |
| Total Liabilities & Shareholders' Equity | $ 593,296 | $ 524,942 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 8.98 | — |
| % Net Income to Sales | 4.13 | — |
| % Net Income to Equity | 10.35 | — |
| Sales to Inventories | 4.83 | 3.66 |
| Debt to Equity | 0.09 | 0.10 |
| Working Capital | $ 396,636,000 | $ 394,562,000 |
| Current Ratio | 4.01 | 5.16 |
| Shareholders' Equity | $ 252,651,000 | $ 223,895,000 |

## Dawson International plc

9 Charlotte Square
Edinburgh, EH2 4DR, Scotland
031-220-1919

**Directors:** Sir Alan Smith, president; R. A. B. Miller, chairman & chief executive; W. R. Alexander, D. L. D. Blackburn, J. E. Bolton, J. D. Embrey, B. S. Faulkner, P. W. Kemp, K. Fox, T. Sharp, W. A. Simpson, M. S. Watts, H. Somerville, secretary.

**Business Activities:** Operates two "Cashmere Cashmere" retail clothing stores in New York City and Chicago, and "Pringle" retail clothing stores in Scotland and West Germany. Other Company operations include the manufacture of fully fashioned knitwear and clothing, fleece fabrics, fur fabrics, velvets, shower curtains and bathroom accessories, the spinning of yarn and wool, the weaving of fabrics and fine cloth, and the manufacture of thermal knitwear and winter clothing.

**Subsidiaries (Great Britain):**

The Ballantyne Sportswear Co. Ltd.
Manufacture of Ballantyne branded fully fashioned knitwear and clothing.

Barrie Knitwear Ltd.
Manufacture of Barrie branded fully fashioned knitwear.

Blackwood Brothers Ltd.
Carpet yarn spinning.

British Replin Ltd.
Weaving of specialized upholstery fabrics.

Cowper and Tordoff Ltd.
Distributes fleece and silver knitted fur fabrics.

Glenmac Knitwear (Hawick) Ltd.
Manufacture of Glenmac branded fully fashioned knitwear.

Laidlaw & Fairgrieve Ltd.
Woolen yarn spinning.

J. & D. McGeorge Ltd.
Manufacture of McGeorge branded fully fashioned knitwear.

Robert Noble Ltd.
Weaving of fine cloths.

Pennine Fur Fabrics Ltd.
Manufactures silver knitted fur fabrics.

Pringle of Scotland Ltd.
Manufacture of Pringle of Scotland branded fully fashioned knitwear and clothing.

Braemar Knitwear Ltd.
Manufacture of Braemar fully fashioned knitwear.

Todd & Duncan Ltd.
Woolen, cashmere and lambwool spinning.

Joseph Dawson Ltd.
Cashmere dehairing, commission woolcombing.

Dawson Fur Fabrics, Ltd.
Manufacture of fleece fabrics, fur fabrics and Dralon velvets.

**Subsidiaries (U.S.A.):**

Associated Products Inc.
Manufacture and distribution of shower curtains and bathroom accessories.

Cashmere Cashmere Inc.
Operates two retail stores that sell a wide range of cashmere goods. These stores are located in New York City and Chicago.

Dawson Consumer Products Inc.

Dawson International (U.S.A.) Inc.
Marketing and distribution of knitwear, cashmere garments, and other clothing.

Duofold Inc.
Manufacture of Duofold branded winter clothing.

J.E. Morgan Knitting Mills Inc.
Manufacture of J.E. Morgan branded thermal knitwear.

**Registrar:**

Clydesdale Bank plc
P.O. Box 124
The Guild Hall
57 Queen Street, Glasgow G1 3EA, Scotland

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1989 | £ 351,903,000 | £ 21,872,000 |
| 1988 | 355,313,000 | 31,446,000 |
| 1987 | 334,433,000 | 26,832,000 |
| 1986 | 285,194,000 | 21,893,000 |
| 1985 | 265,633,000 | 21,801,000 |

| | No. of Com. Shares | Earn. per Share †‡ |
|---|---|---|
| 1989 | 153,564,731 | 18.1p |
| 1988 | 152,318,237 | 20.4 |
| 1987 | 151,246,610 | 20.1 |
| 1986 | 142,612,000 | 18.5 |
| 1985 | N.A. | 15.6 |

N.A. - Not Available.
£ - pound sterling.
† Including extraordinary gain of £ 406,000 (0.3p per share) in 1988 and extraordinary losses of £ 6,413,000 (4.2p per share) in 1989, £ 2,997,000 (2.2p per share) in 1987 and £ 4,340,000 (3.1p per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | 8.6p | — | — |
| 1987 | 7.8 | — | — |
| 1986 | 6.9 | — | — |
| 1985 | 6.2 | — | — |
| 1984 | 5.5 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | £ 163,856,000 | 106.7p |
| 1988 | 172,111,000 | 113.0 |
| 1987 | 157,851,000 | 106.1 |
| 1986 | 137,963,000 | 97.1 |
| 1985 | 125,335,000 | — |

**Income Account ***
(000's)

| Year ended Mar. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | £ 351,903 | £ 355,313 |
| Cost of sales | 252,980 | 252,635 |
| Distribution costs | 29,849 | 31,177 |
| Administration expenses | 25,462 | 25,380 |
| Other oper. income | (1,416) | (1,274) |
| Interest income | (3,735) | (4,122) |
| Interest expense | 5,713 | 4,507 |
| Income before taxes | £ 43,050 | £ 47,010 |
| Income taxes | 14,765 | 15,970 |
| Net income | £ 28,285 | £ 31,040 |
| Extraord. items | (6,413) | 406 |
| Net income & extraord. items | £ 21,872 | £ 31,446 |

* Included in Costs and Expenses, Depreciation: £ 9,288,000 in 1989 and £ 9,196,000 in 1988.

**Assets**
(000's)

| As of Mar. 31 | 1989 | 1988 |
|---|---|---|
| Cash | £ 44,302 | £ 42,195 |
| Accts. receiv., net | 76,225 | 64,602 |
| Investments | 12,885 | 22,214 |
| *Stocks | 129,282 | 93,762 |
| Current Assets | £ 262,694 | £ 222,773 |
| #Fixed assets | 103,096 | 83,950 |
| Total Assets | £ 365,790 | £ 306,723 |

**Liabilities**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Bank loans & overdrafts | £ 23,364 | £ 9,229 |
| Accts. payable | 36,293 | 31,011 |
| Accruals | 15,335 | 12,229 |
| Taxation | 23,731 | 24,832 |
| Other payables | 2,919 | 1,352 |
| Proposed dividend | 9,661 | 8,290 |
| Curr. Liabilities | £ 111,303 | £ 86,943 |
| Long-term debt | 75,640 | 31,341 |
| Deferred taxation | 324 | 890 |
| Accruals | 53 | 280 |
| Amts. due under fin. leases | 1,822 | 1,730 |
| Debentures | — | 2,230 |
| Other liabilities | 12,792 | 11,198 |
| Pref. stock of subsid. | 3,480 | — |
| +Common stock | 38,427 | 38,381 |
| Add. paid-in capital | 2,099 | 1,912 |
| Revaluation reserve | 28,185 | 21,765 |
| Other reserve | 26,684 | 228 |
| Retained earnings | 64,981 | 109,825 |
| Total Liabilites & Shareholders' Equity | £ 365,790 | £ 306,723 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 25p par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 12.23 | 13.23 |
| %Net Income to Sales | 8.04 | 8.74 |
| %Net Income to Equity | 17.26 | 18.94 |
| Sales to Inventories | 2.72 | 3.79 |
| Debt to Equity | 0.60 | 0.24 |
| Working Capital | £ 151,391,000 | £ 135,830,000 |
| Current Ratio | 2.36 | 2.56 |
| Shareholders' Equity | £ 163,856,000 | £ 172,111,000 |

## Dayton Hudson Corporation

777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6948

**Officers:** Kenneth A. Macke, chairman of the board & chief executive officer; Bruce G. Allbright, president; James T. Hale, sr. v.p., general counsel & secretary; Edwin H. Wingate, sr. v.p.; Ralph W. Salo, sr. v.p.; Willard C. Shull, III, sr. v.p.; Peter Hutchinson, v.p.; Ann H. Barkelew, v.p.; Larry E. Carlson, v.p.; L. Fred Hamacher, v.p.; Karol D. Emmerich, v.p. & treasurer; William E. Harder, v.p. & asst. secretary; William P. Hise, asst. secretary; James R. Eckmann, asst. treasurer.

**Directors:** Donald J. Hall, Kenneth A. Macke, Bruce B. Allbright, Livio D. DeSimone, David T. McLaughlin, Bruce K. MacLaury, Roger L. Hale, Rand V. Araskog, Robert A. Burnett, John A. Rollwagen, Betty Ruth Hollander, David T. Kearns, Mary Patterson McPherson.

**Business Activities:** Operates department stores, low margin stores, softline stores and specialty stores in 37 states.

**Divisions and Subsidiaries:**

Department Stores:

## Dayton Hudson Corporation

Dayton Hudson Department Store Company
Minneapolis, Minnesota
Operates 37 department stores in the Midwest under the names "Hudson's" and "Dayton's."

Low Margin Stores:

Target
777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6073
Operates 341 stores located in 27 Midwestern and Western states.

Specialty Stores:

Lechmere
88 1st Street
Cambridge, Massachusetts 02141
(617) 491-2000
Operates 27 stores in Massachusetts, New Hampshire, Connecticut, Georgia, Rhode Island, New York, North Carolina, South Carolina and Florida.

Softlines Stores:

Mervyn's
25001 Industrial Boulevard
Hayward, California 94545
(415) 785-8800
Operates 213 department stores offering nationally branded and private label apparel, accessories and household softgoods. Stores are located in 14 states, with the greatest number in California (98) and Texas (37).

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
New York, New York

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** DH

**Number of Stores:** (at fiscal year end)

| | Dept. Stores | Target Stores |
|---|---|---|
| 1988 | 37 | 341 |
| 1987 | 37 | 317 |
| 1986 | 37 | 246 |
| 1985 | 37 | 226 |
| 1984 | 36 | 215 |

| | Specialty Stores | Mervyn's Stores |
|---|---|---|
| 1988 | 27 | 213 |
| 1987 | 24 | 199 |
| 1986 | 17 | 175 |
| 1985 | 795 | 148 |
| 1984 | 739 | 126 |

**Sales & Earnings**

| | Net Sales ‡ (000's) | Net Income † (000's) |
|---|---|---|
| 1989 | $ 12,204,000 | $ 287,000 |
| 1988 | 10,677,300 | 228,400 |
| 1987 | 9,259,100 | 310,000 |
| 1986 | 8,255,300 | 283,600 |
| 1985 | 7,519,200 | 259,300 |

| | No. of Com. Shares + | Earn. per Share †+ |
|---|---|---|
| 1988 | 83,300,000 | $ 3.45 |
| 1988 | 94,800,000 | 2.41 |
| 1987 | 97,300,000 | 3.19 |
| 1986 | 97,100,000 | 2.92 |
| 1985 | 96,900,000 | 2.68 |

‡ Of continuing operations only.
† Including extraordinary loss of $32,300,000 in 1986.
+ Based on the weighted average number of shares outstanding.

**Revenues by Line of Business**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Target | $ 6,331,000 | $ 5,306,100 |
| Mervyn's | 3,411,000 | 3,182,600 |
| Department stores | 1,693,000 | 1,552,300 |
| Lechmere | 769,000 | 636,300 |
| Total | $ 12,204,000 | $ 10,677,300 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 1.045 | — | — |
| 1987 | 0.945 | — | — |
| 1987 | 0.860 | — | — |
| 1986 | 0.785 | — | — |
| 1985 | 0.695 | — | — |

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share |
|---|---|---|
| 1989 | $ 1,861,000 | $ 23.97 |
| 1988 | 1,986,000 | 23.15 |
| 1987 | 2,179,500 | 22.38 |
| 1986 | 1,947,355 | 20.04 |
| 1985 | 1,736,502 | 17.90 |

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Revenues | $ 12,204,000 | $ 10,677,300 |
| Cost of sales | 8,887,000 | 7,852,600 |
| Expenses | 2,038,000 | 1,768,800 |
| Depreciation | 290,000 | 230,900 |
| Rental expense | 93,000 | 97,100 |
| Interest expense | 218,000 | 151,800 |
| Other taxes | 206,000 | 176,300 |
| Income before taxes | $ 472,000 | $ 399,800 |
| Income taxes | 185,000 | 171,400 |
| Net Income | $ 287,000 | $ 228,400 |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 53,000 | $ 115,600 |
| Market. securities | — | 59,500 |
| Accts. receiv., net | 1,223,000 | 1,073,500 |
| *Inventories | 1,469,000 | 1,623,300 |
| Other current assets | 36,000 | 36,400 |
| Current Assets | $ 2,981,000 | $ 2,908,300 |
| #Fixed assets | 3,374,000 | 2,990,800 |
| Leased prop. under cap. leases | 112,000 | 115,000 |
| Other assets | 56,000 | 61,400 |
| Total Assets | $ 6,523,000 | $ 6,075,500 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 148,000 | $ 353,300 |
| Long-term debt, curr. & cap. lease oblig. | 95,000 | 18,400 |
| Accts. payable | 1,056,000 | 1,054,500 |
| Accruals | 566,000 | 438,400 |
| Income taxes | 138,000 | 121,200 |
| Curr. Liabilities | $ 2,003,000 | $ 1,985,800 |
| Long-term debt | 2,247,000 | 1,683,400 |
| Long-term cap. lease oblig. | 136,000 | 135,300 |
| Deferred income taxes | 276,000 | 285,000 |
| +Common stock | 78,000 | 85,800 |
| Add. paid-in capital | 25,000 | 22,900 |
| Retained earnings | 1,758,000 | 1,877,300 |
| Total Liabilities & Shareholders' Equity | $ 6,523,000 | $ 6,075,500 |

* Using the retail inventory method (LIFO).
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.87 | 3.74 |
| %Net Income to Sales | 2.35 | 2.14 |
| %Net Income to Equity | 15.42 | 11.50 |
| Sales to Inventories | 7.31 | 6.58 |
| Debt to Equity | 1.33 | 1.10 |
| Working Capital | $ 978,000,000 | $ 922,500,000 |
| Current Ratio | 1.49 | 1.46 |
| Shareholders' Equity | $ 1,861,000,000 | $ 1,986,000,000 |

## Deb Shops, Inc.

9401 Blue Grass Road
Philadelphia, Pennsylvania 19114
(215) 676-6000

**Officers:** Marvin Rounick, president & chief exec. officer; Warren Weiner, exec. v.p., secretary & treasurer; Barry Vesotsky, v.p.-merchandising; Traci Jan Morrow, v.p.-store operations; Stanley A. Uhr, v.p.-real estate & corp. counsel; Crawford Grogan, v.p.-display; Marvin Waxman, controller.

**Directors:** Marvin Rounick, Warren Weiner, Jack A. Rounick, Paul S. Bachow, Barry H. Feinberg, Barry H. Frank.

**Business Activities:** Operates a chain of specialty apparel stores offering moderately priced, fashionable, coordinated sportswear, dresses, coats and accessories to the junior-sized female, in 32 states.

**Transfer Agent(s):**

Philadelphia National Bank
Philadelphia, Pennsylvania

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DEBS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 294 | 1985 | 190 |
| 1987 | 273 | 1984 | 161 |
| 1986 | 231 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 194,050,000 | $ 13,750,000 |
| 1988 | 198,447,000 | 11,954,000 |
| 1987 | 181,412,000 | 12,615,000 |
| 1986 | 147,104,000 | 10,350,000 |
| 1985 | 120,405,000 | 7,850,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 15,422,798 | $ 0.89 |
| 1988 | 15,312,173 | 0.78 |
| 1987 | 15,202,368 | 0.83 |
| 1986 | 15,061,634 | 0.68 |
| 1985 | 15,003,238 | 0.52 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

### Common Stock

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.20 | — | — |
| 1988 | 0.20 | — | |
| 1987 | 0.139 | — | — |
| 1986 | 0.091 | — | 3-for-2 |
| 1985 | 0.066 | — | — |

‡ Adjusted to reflect stock splits.

### Common Stock Equity

| | Total Equity + | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 70,635,519 | $ 4.60 |
| 1988 | 59,634,876 | 3.90 |
| 1987 | 50,323,021 | 3.32 |
| 1986 | 39,126,126 | 2.59 |
| 1985 | 29,733,769 | 1.98 |

+ After allowing for preferred stock at par value.
‡ Adjusted to reflect stock splits.

### Income Account

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 194,049,515 | $ 198,447,499 |
| Other income | 1,221,956 | 1,186,785 |
| Total income | $ 195,271,471 | $ 199,634,284 |
| Cost of sales | 136,595,887 | 144,035,751 |
| Expenses | 33,417,451 | 32,357,909 |
| Depreciation | 3,230,469 | 2,637,049 |
| Loss on invest. | 327,885 | — |
| Income before taxes | $ 21,699,779 | $ 20,603,575 |
| Income taxes | 7,950,000 | 8,650,000 |
| Net Income | $ 13,749,779 | $ 11,953,575 |

### Assets

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & cash equiv. | $ 39,498,081 | $ 22,391,415 |
| Investments | 3,755,640 | 6,970,700 |
| *Inventories | 24,531,460 | 24,128,741 |
| Prepaid expenses | 1,861,961 | 3,861,949 |
| Current Assets | $ 69,647,142 | $ 57,352,805 |
| #Fixed assets | 22,156,584 | 21,326,690 |
| Total Assets | $ 91,803,726 | $ 78,679,495 |

### Liabilities

| | | |
|---|---|---|
| Accts. payable | $ 11,365,115 | $ 11,659,923 |
| Accruals & taxes | 3,570,558 | 3,291,847 |
| Income taxes | 4,191,666 | 2,051,981 |
| Curr. Liabilities | $ 19,127,339 | $ 17,003,751 |
| Cap. lease oblig. | 2,040,408 | 2,040,408 |
| +Preferred stock | 460 | 460 |
| ++Common stock | 154,455 | 153,504 |
| Add. paid-in capital | 3,394,093 | 2,824,702 |
| Retained earnings | 68,159,037 | 57,534,745 |
| Treasury stock | (1,072,066) | (878,075) |
| Total Liabilities & Shareholders' Equity | $ 91,803,726 | $ 78,679,495 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
++ $0.01 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 11.18 | 10.38 |
| %Net Income to Sales | 7.09 | 6.02 |
| %Net Income to Equity | 19.47 | 20.04 |
| Sales to Inventories | 7.91 | 8.22 |
| Debt to Equity | 0.03 | 0.03 |
| Working Capital | $ 50,519,803 | $ 40,349,054 |
| Current Ratio | 3.64 | 3.37 |
| Shareholders' Equity | $ 70,635,979 | $ 59,635,336 |

## Decor Corporation

1519 Alum Creek Drive South
Columbus, Ohio 43209
(614) 258-2871

**Officers:** Bob Binsky, chairman & chief exec. officer; Beatrice Binsky, exec. v.p. & secretary-treasurer; John Lynch, exec. v.p. & chief financial officer; Angel Guzman, v.p.-store operations; Kathy Sheller, v.p. & store controller; Richard Sundquist, v.p.-facilities; Martha Widlus, divisional v.p.-trend merchandising.

**Directors:** Bob Binsky, chairman; Beatrice Binsky, Harmon W. Beyer, T. James Koehler.

**Business Activities:** Operates 68 graphic art stores and 48 trend gift stores in 23 states and the District of Columbia. The graphic art stores, which do business under the names "The Art Works" and "The Picture Show," sell fine art posters, graphic reproductions and original lithographs to retail customers. The trend gift stores, which do business under the names 'Art Explosion,' and "E. 57th," sell contemporary greeting cards, T-shirts, unframed posters, calendars and stationery products, seasonal items, and other trend items.

**Subsidiary:**

Art Explosion, Inc.

**Transfer Agent(s):**

AmeriTrust Company National Association
P.O. Box 6477
Cleveland, Ohio 44101

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DCOR (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 116 | 1985 | 40 |
| 1987 | 95 | 1984 | 18 |
| 1986 | 80 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 26,499,717 | $ (941,346) |
| 1987 | 21,094,062 | (1,342,434) |
| 1986 | 14,700,962 | 601,113 |
| 1985 | 4,230,696 | 319,882 |
| 1984 | 3,009,226 | 170,315 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,100,039 | $ — |
| 1987 | 2,087,255 | — |
| 1986 | 1,941,757 | 0.31 |
| 1985 | 1,526,916 | 0.21 |
| 1984 | 1,356,916 | 0.13 |

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.01 | 5% | |
| 1986 | 0.005 | — | 3-for-2 |
| 1985 | — | — | — |
| 1984 | — | — | 960-for-1 |

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 4,625,751 | $ 2.20 |
| 1987 | 5,567,097 | 2.67 |
| 1986 | 6,651,024 | 3.43 |
| 1985 | 3,038,120 | 1.99 |
| 1984 | 1,678,924 | 1.24 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

### Income Account *

| Year ended May 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 26,499,717 | $ 21,094,062 |
| Cost of sales | 17,247,422 | 14,362,135 |
| Store oper. expenses | 6,845,756 | 5,470,792 |
| Gen. & adm. expenses | 2,671,084 | 2,073,688 |
| Interest expense | 663,823 | 474,241 |
| Other expense | 12,978 | 312,387 |
| Loss before taxes | $ (941,346) | $ (1,599,181) |
| Tax credit | — | (256,747) |
| Net Loss | $ (941,346) | $ (1,342,434) |

* Included in Costs and Expenses, Depreciation and Amortization: $1,118,451 in 1988 and $956,200 in 1987.

### Assets

| As of May 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 2,701 | $ 356,415 |
| Marketable securities | 96,438 | 5,566,224 |
| Accts. receiv., net | 260,675 | 306,551 |
| *Inventories | 4,599,153 | 2,842,219 |
| Prepaid expenses | 248,797 | 144,479 |
| Current Assets | $ 5,207,764 | $ 9,213,888 |
| #Fixed assets | 7,580,880 | 5,769,512 |
| Intangibles | 3,021,672 | 3,121,611 |
| Bond issuance costs | 329,444 | 349,857 |
| Total Assets | $ 16,139,760 | $ 18,454,868 |

### Liabilities

| | | |
|---|---|---|
| Accts. payable | $ 1,455,708 | $ 1,337,135 |
| Accrued payroll | 261,442 | 197,508 |
| Other accruals | 796,859 | 715,128 |
| Short-term borrowings | — | 1,638,000 |
| Long-term debt, curr. | — | 1,000,000 |
| Curr. Liabilities | $ 2,514,009 | $ 4,887,771 |
| Long-term debt | 9,000,000 | 8,000,000 |
| +Common stock | 21,004 | 20,991 |
| Add. paid-in capital | 6,324,316 | 6,324,329 |
| Retained earnings (deficit) | (1,716,404) | (775,058) |
| Treasury stock | (3,165) | (3,165) |
| Total Liabilities & Shareholders' Equity | $ 16,139,760 | $ 18,454,868 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

### Statistical Summary

| | | |
|---|---|---|
| Sales to Inventories | 5.76 | 7.42 |
| Debt to Equity | 1.95 | 1.91 |
| Working Capital | $ 2,693,755 | $ 4,326,117 |
| Current Ratio | 2.07 | 1.89 |
| Shareholders' Equity | $ 4,625,751 | $ 5,567,097 |

## Delchamps, Inc.

305 Delchamps Drive
P.O. Box 1668
Mobile, Alabama 36633
(205) 433-0431

**Officers:** A. F. Delchamps, Jr., chairman & chief exec. officer; Randy Delchamps, president & chief operations officer; John H. Holland, v.p.-finance & chief financial officer; Donald A. Mathews, v.p.-distribution; Annie D. Moore, treasurer; Emmette D. Easterling, v.p.-retail operations; James H. McDonald, Jr., v.p. & general counsel; Heidi A. Eckert, corp. secretary; Larry S. Griffin, v.p.-merchandising; Sarah F. Watson, asst. corp. secretary.

**Directors:** A. F. Delchamps, Jr., chairman of the board; John A. Caddell, William W. Crawford, T. Robert Fiddler, Annie D. Moore, Joel O. Swanson, Carl F. Bailey, E. Eugene Bishop, Randy Delchamps.

**Business Activities:** Operates 104 supermarkets in Alabama, Florida, Mississippi, and Louisiana.

**Subsidiaries:**

Supermarket Cigarette Sales, Inc.

**Transfer Agent(s):**

First Alabama Bank
P.O. Box 5260
Montgomery, Alabama 36103

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DLCH (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 104 | 1985 | 85 |
| 1987 | 96 | 1984 | 78 |
| 1986 | 90 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 899,532,000 | $ 12,140,000 |
| 1988* | 863,003,000 | 9,802,000 |
| 1987 | 784,893,000 | 6,319,000 |
| 1986 | 688,632,000 | 8,004,000 |
| 1985 | 631,084,000 | 9,608,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 7,091,000 | $ 1.71 |
| 1988* | 6,777,000 | 1.45 |
| 1987 | 6,549,000 | 0.96 |
| 1986 | 6,987,000 | 1.15 |
| 1985 | 6,994,000 | 1.37 |

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.34 | — | — |
| 1988 | 0.28 | — | |
| 1987 | 0.28 | — | — |
| 1986 | 0.21 | — | — |
| 1985 | 0.28 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 76,789,000 | $ 10.83 |
| 1988 | 69,887,000 | 10.31 |
| 1987 | 66,175,000 | 10.10 |
| 1986 | 72,187,000 | 10.33 |
| 1985 | 67,181,000 | 9.61 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended | 7/1/89 (53 weeks) | 7/2/88 |
|---|---|---|
| Net sales | $ 899,532,000 | $ 863,003,000 |
| Cost of sales | 696,099,000 | 680,064,000 |
| Expenses | 179,897,000 | 165,714,000 |
| Interest expense | 6,573,000 | 5,156,000 |
| Interest income | (839,000) | (584,000) |
| Income before taxes | $ 17,822,000 | $ 12,653,000 |
| Income taxes | 5,682,000 | 3,897,000 |
| Cum. effect of acct. change | — | (1,046,000) |
| Net Income | $ 12,140,000 | $ 9,802,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $12,650,000 in 1989 and $11,372,000 in 1988.

**Assets**

| As of | 7/1/89 | 7/2/88 |
|---|---|---|
| Cash | $ 4,417,000 | $ 4,965,000 |
| Short-term invest. | 7,036,000 | 19,635,000 |
| Accts. receiv., net | 2,759,000 | 2,466,000 |
| Other receivables | 635,000 | 497,000 |
| *Inventories | 81,427,000 | 58,667,000 |
| Prepaid expenses | 1,179,000 | 1,462,000 |
| Def. inc. taxes | 3,413,000 | 2,728,000 |
| Current Assets | $ 100,866,000 | $ 90,420,000 |
| #Fixed assets | 93,643,000 | 91,743,000 |
| Deposits | 853,000 | 846,000 |
| Other assets | 957,000 | 1,252,000 |
| Cost in exc. of assets acq. | 5,997,000 | 6,154,000 |
| Total Assets | $ 202,316,000 | $ 190,415,000 |

**Liabilities**

| | | |
|---|---|---|
| Cap. lease oblig., curr. | $ 2,725,000 | $ 2,420,000 |
| Long-term debt, curr. | 1,711,000 | 1,658,000 |
| ESOP debt | 2,000,000 | — |
| Accts. payable | 38,107,000 | 33,969,000 |
| Accruals | 18,514,000 | 14,822,000 |
| Income taxes | 1,525,000 | 1,776,000 |
| Curr. Liabilities | $ 64,582,000 | $ 54,645,000 |
| Cap. lease oblig. | 22,232,000 | 24,957,000 |
| Long-term debt | 14,637,000 | 16,343,000 |
| ESOP debt | 14,000,000 | 12,899,000 |
| Deferred compensation | — | 4,424,000 |
| Deferred inc. taxes | 9,165,000 | 6,278,000 |
| Other liabilities | 911,000 | 977,000 |
| +Common stock | 71,000 | 70,000 |
| Add. paid-in capital | 20,212,000 | 16,522,000 |
| Retained earnings | 75,919,000 | 66,194,000 |
| ESOP debt | (16,000,000) | (12,899,000) |
| Restricted stock award comp. | (3,413,000) | — |
| Total Liabilities & Shareholders' Equity | $ 202,316,000 | $ 190,415,000 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.98 | 1.47 |
| %Net Income to Sales | 1.35 | 1.14 |
| %Net Income to Equity | 15.81 | 14.03 |
| Sales to Inventories | 11.05 | 14.71 |
| Debt to Equity | 0.54 | 0.65 |
| Working Capital | $ 36,284,000 | $ 35,775,000 |
| Current Ratio | 1.56 | 1.65 |
| Shareholders' Equity | $ 76,789,000 | $ 69,887,000 |

## Designs, Inc.

1244 Boylston Street
Chestnut Hill, Massachusetts 02167
(617) 739-6722

**Officers:** Calvin Margolis, chairman, chief executive officer, treasurer & secretary; Stanley I. Berger, president & chief operating officer; Joel H. Reichman, executive v.p.; Geoffrey M. Holczer, chief financial officer; Feng-Yuan Chen, asst. treasurer & controller; George F. Cavedon, dir.-stores; Kenneth P. Chainson, mgr.-data processing; Samuel J. Levenson, asst. to the treasurer; Scott N. Semel, general counsel.

**Directors:** Calvin Margolis, chairman of the board; Stanley I. Berger, Joel H. Reichman, Max Coffman, James G. Groninger, Charles E. Carples, Stephen R. Weiner.

**Business Activities:** Operates a chain of 62 specialty retail stores in 24 states, located in the East, South and Midwest. These stores sell exclusively Levi Strauss & Co., Inc. clothing and accessories and operate under the names "Designs exclusively Levi Strauss & Co." and "Specials exclusively Levi Strauss & Co."

**Transfer Agent(s):**

Bank of Boston
Boston, Massachusetts

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DESI (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 62 | 1986 | 18 |
| 1988 | 42 | 1985 | 15 |
| 1987 | 27 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 57,659,000 | $ 1,388,000 |
| 1988 | 40,413,000 | 1,564,000 |
| 1987* | 28,503,000 | 2,929,000 |
| 1986 | 20,421,000 | 369,000 |
| 1985 | 16,945,000 | 323,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1989 | 4,996,600 | $ 0.28 |
| 1988 | 5,106,600 | 0.35 |
| 1987*+ | 4,000,000 | 0.40 |
| 1986 | 4,000,000 | — |
| 1985 | 4,000,000 | — |

* 53 weeks
+ Reflects a pro forma adjustment to federal income tax to show the provision for income taxes the Company would have made if it were not an S Corporation.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 19,142,652 | $ 3.83 |
| 1988 | 18,427,640 | 3.61 |
| 1987 | 3,663,000 | 0.92 |
| 1986 | 2,450,000 | 0.61 |
| 1985 | 2,081,000 | 0.52 |

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 57,658,531 | $ 40,412,803 |
| Cost of sales | 38,621,983 | 25,819,504 |
| Expenses | 12,322,205 | 9,612,308 |
| Depreciation & amortization | 3,188,862 | 1,762,499 |
| Other income | (41,356) | (262,385) |
| Interest expense | 1,147,107 | 409,340 |
| Income before taxes | $ 2,424,730 | $ 3,071,537 |
| Income taxes | 1,036,273 | 1,507,203 |
| Net Income | $ 1,388,457 | $ 1,564,334 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 683,119 | $ — |
| Accts. receiv., net | 790,818 | 390,905 |
| Due from affil. | — | 69,986 |
| *Inventories | 11,968,523 | 10,305,898 |
| Inc. taxes refund. | 532,175 | 330,689 |
| Prepaid expenses | 715,309 | 332,734 |
| Current Assets | $ 14,689,944 | $ 11,430,212 |
| #Fixed assets | 19,318,865 | 15,503,775 |
| Other assets | 663,993 | 834,326 |
| Total Assets | $ 34,672,802 | $ 27,768,313 |

**Liabilities**

| | | |
|---|---|---|
| Bank overdraft | $ — | $ 9,062 |
| Long-term debt, curr. | 196,907 | 32,015 |
| Accts. payable | 1,409,524 | 583,525 |
| Accruals | 1,332,151 | 1,118,770 |
| Curr. Liabilities | $ 2,938,582 | $ 1,743,372 |
| Long-term debt | 12,254,380 | 7,335,825 |
| Deferred inc. taxes | 337,188 | 261,476 |
| +Common stock | 51,925 | 51,925 |
| Add. paid-in capital | 17,056,760 | 17,057,705 |
| Retained earnings | 3,228,842 | 1,840,385 |
| Treasury stock | (1,194,875) | (522,375) |
| Total Liabilities & Shareholders' equity | $ 34,672,802 | $ 27,768,313 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.21 | 7.60 |
| %Net Income to Sales | 2.41 | 3.87 |
| %Net Income to Equity | 7.25 | 8.49 |
| Sales to Inventories | 4.82 | 3.92 |
| Debt to Equity | 0.65 | 0.40 |
| Working Capital | $ 11,751,362 | $ 9,686,840 |
| Current Ratio | 5.00 | 6.56 |
| Shareholders' Equity | $ 19,142,652 | $ 18,427,640 |

## Dillard Department Stores, Inc.

900 West Capitol Avenue
Little Rock, Arkansas 72201
(501) 376-5200

Mailing Address:
Post Office Box 486
Little Rock, Arkansas 72203

**Officers:** William Dillard, chairman of the board & chief exec. officer; William Dillard, II, president & chief operating officer; E. Ray Kemp, vice chairman of the board & chief administrative officer; Alex Dillard, exec. v.p.; Mike Dillard, exec. v.p.; James I. Freeman, v.p. & chief financial officer; James E. Darr, Jr., v.p., secretary & general counsel; Donald C. Bradley, vice president; G. Kent Burnett, vice president; Wynelle Chapman, vice president; Drue Corbusier, vice president; Randy L. Hankins, vice president; Charles E. Franzke, vice president; John A. Franzke, vice president; Bernie Goldstein, vice president; T. R. Gastman, vice president; J. B. Wilson, vice president; W. R. Appleby, vice president; Harry D. Passow, vice president; J. W. Sherburne, vice president; David M. Doub, vice president; Dick Roberds, vice president; Burt Squires, vice president; Jan E. Bolton, vice president; Joe Brennan, vice president; A. B. Cannon, vice president; William Cummins, vice president; Michael Bowen, vice president; Kathryn Mayes Hawker, vice president; M. E. Ritchie, Jr., vice president; Michael McNiff, vice president; Joseph W. Story, vice president; John Hawkins, Steven K. Nelson.

**Directors:** William Dillard, chairman; John K. Riedy, Will D. Davis, William Dillard, II, E. Ray Kemp, A. C. R. Dreesmann, Alex Dillard, Calvin N. Clyde, Jr., Michael Dillard, Anne M. McCarthy, B. Finley Vinson, James D. Berry, William B. Harrison, Jr., John H. Johnson, Robert C. Connor.

**Business Activities:** Operates Dillard's department stores in Arkansas, Tennessee, Texas, New Mexico, Oklahoma, Missouri, Nebraska, Kansas, Louisiana, Nevada, Arizona, Illinois and Iowa.

**Acquisition:**

D.H. Holmes Company, Limited
819 Canal Street
New Orleans, Louisiana 70112
(504) 561-6611
Operates 18 department stores and two clearance centers in Alabama, Louisiana, Florida and Mississippi.

**Transfer Agent(s):**

Boatmen's Trust Company
P.O. Box 14737
St. Louis, Missouri 63178

**Stock Exchange(s):** American

**Ticker Symbol:** DDSA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 146 | 1986 | 101 |
| 1988 | 135 | 1985 | 93 |
| 1987 | 115 | | |

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1988 | $ 2,558,395,000 | $ 113,829,000 |
| 1987 | 2,206,347,000 | 91,223,000 |
| 1986 | 1,851,423,000 | 74,458,000 |
| 1985 | 1,601,357,000 | 66,903,000 |
| 1984* | 1,277,380,000 | 49,558,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 32,218,579 | $ 3.53 |
| 1987 | 32,190,424 | 2.83 |
| 1986 | 31,692,698 | 2.35 |
| 1985 | 29,206,480 | 2.29 |
| 1984* | 27,314,576 | 1.82 |

* 53 weeks.
‡ Includes leased departments.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.16 | — | — |
| 1987 | 0.14 | — | |
| 1986 | 0.12 | — | — |
| 1985 | 0.105 | — | 2-for-1 |
| 1984 | 0.0875 | — | 2-for-1 |

# Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity + | Equity Per Share # |
|---|---|---|
| 1988 | $ 751,738,000 | $ 23.39 |
| 1987 | 642,946,000 | 20.00 |
| 1986 | 556,177,000 | 17.31 |
| 1985 | 361,893,000 | 12.42 |
| 1984 | 297,913,000 | 10.24 |

+ After allowing for preferred stock at par value.
# Adjusted to reflect stock splits.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 2,558,395,000 | $ 2,206,347,000 |
| Other income | 97,056,000 | 84,397,000 |
| Total income | $ 2,655,451,000 | $ 2,290,744,000 |
| Cost of sales | 1,636,861,000 | 1,398,808,000 |
| Expenses | 648,036,000 | 570,875,000 |
| Depreciation & amortization | 73,347,000 | 63,441,000 |
| Rentals | 43,699,000 | 38,218,000 |
| Interest & debt expense | 80,979,000 | 64,179,000 |
| Income before taxes | $ 172,529,000 | $ 155,223,000 |
| Income taxes | 58,700,000 | 64,000,000 |
| Net Income | $ 113,829,000 | $ 91,223,000 |

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash & cash equiv. | $ 41,467,000 | $ 56,133,000 |
| Accts. receiv., net | 644,933,000 | 595,999,000 |
| *Inventories | 500,831,000 | 385,509,000 |
| Prepaid expenses & supplies | 15,701,000 | 3,027,000 |
| Current Assets | $ 1,220,124,000 | $ 1,166,664,000 |
| Investments & other assets | 42,717,000 | 7,467,000 |
| #Fixed assets | 694,991,000 | 513,421,000 |
| Buildings under cap. leases | 18,911,000 | 9,945,000 |
| Total Assets | $ 2,067,517,000 | $ 1,888,033,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 20,385,000 | $ 18,998,000 |
| Cap. lease oblig., curr. | 1,283,000 | 1,490,000 |
| Accts. payable & accruals | 273,543,000 | 241,553,000 |
| Commercial paper | 221,035,000 | 210,043,000 |
| Income taxes | 24,415,000 | 25,519,000 |
| Deferred inc. taxes | 41,718,000 | 53,674,000 |
| Curr. Liabilities | $ 582,379,000 | $ 551,277,000 |
| Long-term debt | 620,956,000 | 594,773,000 |
| Cap. lease oblig. | 25,157,000 | 26,443,000 |
| Deferred inc. taxes | 86,847,000 | 72,154,000 |
| +Preferred stock | 440,000 | 440,000 |
| ++Common stock | 40,340,000 | 40,333,000 |
| Add. paid-in capital | 219,851,000 | 219,730,000 |
| Retained earnings | 491,850,000 | 383,186,000 |
| Treasury stock | (303,000) | (303,000) |
| Total Liabilities & Shareholders' Equity | $ 2,067,517,000 | $ 1,888,033,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation & amortization.
+ $100 par value; 5% cumulative.
++ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.74 | 7.04 |
| %Net Income to Sales | 4.45 | 4.13 |
| %Net Income to Equity | 15.13 | 14.18 |
| Sales to Inventories | 4.85 | 4.41 |
| Debt to Equity | 0.89 | 1.00 |
| Working Capital | $ 637,745,000 | $ 615,387,000 |
| Current Ratio | 2.10 | 2.12 |
| Shareholders' Equity | $ 752,178,000 | $ 643,386,000 |

## Dollar General Corporation

One Burton Hills Boulevard
Suite 210
Nashville, Tennessee 37215
(615) 665-9102

## Dollar General Corporation

Administrative offices:
427 Beech Street
Scottsville, Kentucky 42164
(502) 237-5444

**Officers:** Cal Turner, Jr., chairman, president & chief exec. officer; Bob Carpenter, v.p., secretary & chief counsel; Michael Ennis, v.p.-merchandising; David Johns, v.p.-operations; Bruce Quinnell, v.p., treasurer & chief financial officer.

**Directors:** Cal Turner, Cal Turner, Jr., Steve Turner, James D. Cockman, John B. Holland, William S. Wire, II, James Clayton.

**Business Activities:** Engaged in the sale of soft goods, housewares, health and beauty aids, and shoes through company-owned retail stores and at wholesale to affiliated retail stores. The company-owned stores are located in 23 states, with the strongest concentration in Florida, Kentucky and Tennessee. All are operated under the name "Dollar General Stores." Most of the 18 associated retail stores for which the company is wholesaler are operated pursuant to franchise agreements.

**Transfer Agent(s):**

Trust Company Bank
Corporate Trust Department
53 Edgewood
Atlanta, Georgia 30303

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DOLR (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,307 | 1985 | 1,278 |
| 1987 | 1,302 | 1984 | 1,080 |
| 1986 | 1,303 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 612,985,000 | $ 10,015,000 |
| 1987 | 588,436,000 | 6,502,000 |
| 1986 | 564,782,000 | 4,318,000 |
| 1985 | 584,437,000 | 17,829,000 |
| 1984 | 480,514,000 | 20,598,000 |

| | No. of Com. Shares + | Earn. per Share # |
|---|---|---|
| 1988 | 18,229,000 | $ 0.55 |
| 1987 | 18,489,000 | 0.35 |
| 1986 | 18,821,000 | 0.23 |
| 1985 | 18,796,000 | 0.95 |
| 1984 | 18,782,000 | 0.10 |

+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.20 | — | — |
| 1987 | 0.20 | — | |
| 1986 | 0.20 | — | — |
| 1985 | 0.20 | — | 6-for-5 |
| 1984 | 0.17 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 111,594,000 | $ 6.12 |
| 1987 | 109,455,000 | 5.92 |
| 1986 | 108,789,000 | 5.78 |
| 1985 | 107,955,000 | 5.74 |
| 1984 | 93,916,000 | 5.00 |

‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended | 1/31/89 | 12/31/87 |
|---|---|---|
| Net sales | $ 612,985,000 | $ 588,436,000 |
| Cost of sales | 438,833,000 | 423,495,000 |
| Expenses | 151,702,000 | 146,562,000 |
| Interest expense | 6,286,000 | 6,773,000 |
| Income before taxes | $ 16,164,000 | $ 11,606,000 |
| Income taxes | 6,149,000 | 5,104,000 |
| Net Income | $ 10,015,000 | $ 6,502,000 |

* Included in Costs and Expenses, Depreciation: $5,986,000 in 1988 and $6,857,000 in 1987.

**Assets**

| As of | 1/31/89 | 12/31/87 |
|---|---|---|
| Cash & cash equiv. | $ 5,727,000 | $ 7,347,000 |
| *Inventories | 170,995,000 | 177,136,000 |
| Other assets | 5,893,000 | 5,871,000 |
| Current Assets | $ 182,615,000 | $ 190,354,000 |
| #Fixed assets | 22,574,000 | 25,427,000 |
| Other assets | 5,138,000 | 9,074,000 |
| Total Assets | $ 210,327,000 | $ 224,855,000 |

**Liabilities**

| | | |
|---|---|---|
| Short-term borrowings | $ — | $ 10,000,000 |
| Long-term debt, curr. | 794,000 | 6,336,000 |
| Accts. payable | 33,703,000 | 26,247,000 |
| Accruals | 13,765,000 | 13,965,000 |
| Income taxes | 4,178,000 | 4,871,000 |
| Curr. Liabilities | $ 52,440,000 | $ 61,419,000 |
| Long-term obligation | 45,641,000 | 48,912,000 |
| Deferred inc. taxes | 652,000 | 5,069,000 |
| +Common stock | 11,070,000 | 11,070,000 |
| Add. paid-in capital | 21,276,000 | 21,276,000 |
| Retained earnings | 85,770,000 | 82,103,000 |
| Treasury stock | (6,522,000) | (4,994,000) |
| Total Liabilites & Shareholders' Equity | $ 210,327,000 | $ 224,855,000 |

* At cost (LIFO) using the retail method, which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.64 | 1.97 |
| %Net Income to Sales | 1.63 | 1.10 |
| %Net Income to Equity | 8.97 | 5.94 |
| Sales to Inventories | 3.58 | 3.32 |
| Debt to Equity | 0.42 | 0.60 |
| Working Capital | $ 130,175,000 | $ 128,935,000 |
| Current Ratio | 3.48 | 3.10 |
| Shareholders' Equity | $ 111,594,000 | $ 109,455,000 |

## The Dress Barn, Inc.

88 Hamilton Avenue
Stamford, Connecticut 06902
(203) 327-4242

**Officers:** Elliot S. Jaffe, chairman, president & chief exec. officer; Roslyn S. Jaffe, secretary & treasurer; Michael Palmer, sr. v.p.-finance & asst. secretary; Burt Steinberg, sr. v.p.; Eric Hawn, v.p.-stores; Reid Hackney, controller; Charles Wichtendahl, v.p.; Arthur Ziluck, v.p.; Elise Jaffe, v.p.; Corinne Safleety, divisional merchandise mgr..

**Directors:** Elliot S. Jaffe, chairman of the board; Roslyn S. Jaffe, Saul Kwartin, Lionel M. Levey, Michael Palmer, Burt Steinberg.

**Business Activities:** Operates a chain of 335 off-price women's apparel stores in 27 states, principally under the name "Dress Barn."

**Transfer Agent(s):**

Midlantic National Bank
Metro Park Plaza
Edison, New Jersey 08818

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** DBRN (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 335 | 1985 | 156 |
| 1987 | 263 | 1984 | 100 |
| 1986 | 208 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988* | $ 204,968,135 | $ 15,832,105 |
| 1987 | 173,670,681 | 12,907,555 |
| 1986 | 135,827,743 | 9,160,509 |
| 1985 | 103,015,625 | 5,303,250 |
| 1984 | 61,601,840 | 2,806,080 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988* | 22,223,884 | $ 0.71 |
| 1987 | 22,172,271 | 0.58 |
| 1986 | 22,057,078 | 0.42 |
| 1985 | 22,001,906 | 0.24 |
| 1984 | 22,000,000 | 0.13 |

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |
| 1986 | — | — | 5-for-2 |
| 1985 | — | — | 2-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 55,982,342 | $ 2.52 |
| 1987 | 39,779,218 | 1.79 |
| 1986 | 26,192,556 | 1.19 |
| 1985 | 16,732,762 | 0.76 |
| 1984 | 11,239,190 | 0.51 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account ***

| Year ended | 7/25/87 (53 weeks) | 7/26/86 |
|---|---|---|
| Net sales | $ 204,968,135 | $ 173,670,681 |
| Cost of sales | 123,905,874 | 103,765,195 |
| Expenses | 57,411,006 | 46,704,844 |
| Interest income | (1,389,850) | (1,245,913) |
| Income before taxes | $ 25,041,105 | $ 24,446,555 |
| Income taxes | 9,209,000 | 11,539,000 |
| Net Income | $ 15,832,105 | $ 12,907,555 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,609,550 in 1988 and $1,816,373 in 1987.

**Assets**

| As of | 7/30/88 | 7/25/87 |
|---|---|---|
| Cash & cash equiv. | $ 15,137,921 | $ 10,754,512 |
| Investments | 11,105,780 | 10,475,183 |
| *Inventories | 29,652,417 | 21,878,459 |
| Prepaid expenses | 949,053 | 724,733 |
| Current Assets | $ 56,845,171 | $ 43,832,887 |
| #Fixed assets | 21,516,320 | 15,114,894 |
| Other assets | 867,561 | 522,907 |
| Total Assets | $ 79,229,052 | $ 59,470,688 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 14,907,973 | $ 11,822,270 |
| Accruals | 5,106,769 | 4,825,528 |
| Customer credits | 1,565,800 | 887,700 |
| Income taxes | — | 1,175,499 |
| Curr. Liabilities | $ 21,580,542 | $ 18,710,997 |
| Deferred inc. taxes | 1,666,168 | 980,473 |
| +Common stock | 1,112,620 | 1,110,167 |
| Add. paid-in capital | 4,608,309 | 4,239,803 |
| Retained earnings | 50,261,353 | 34,429,248 |
| Total Liabilities & Shareholders'Equity | $ 79,229,052 | $ 59,470,688 |

* At lower of cost (FIFO) or market.
\# Less accumulated depreciation and amortization.
\+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 12.22 | 14.08 |
| %Net Income to Sales | 7.72 | 7.43 |
| %Net Income to Equity | 28.28 | 32.45 |
| Sales to Inventories | 6.91 | 7.94 |
| Working Capital | $ 35,264,629 | $ 25,121,890 |
| Current Ratio | 2.63 | 2.34 |
| Shareholders' Equity | $ 55,982,342 | $ 39,779,218 |

## Dylex Limited

637 Lake Shore Boulevard West
Toronto, Ontario, M5V 1A8, Canada
(416) 586-7000

**Officers:** Wilfred Posluns, chairman, president & chief exec. officer; Irving Posluns, exec. vice president & treasurer; Kenneth Axelrod, v.p.-Manchester Clothing; Gordon Edelstone, v.p.-men's wear; Gunter Leverenz, v.p.-distribution; Irving Levine, v.p.-women's wear; Joel N. Cooper, v.p.-Braemar; Sydney Loftus, v.p.-Dylex Real Estate; Paul Mancini, v.p.-Western Apparel; Lionel Robins, v.p.-women's wear; Harry Rosen, v.p.-Harry Rosen Men's Wear; Henry Zagdanski, v.p.-Nu Mode Dress; Lynn Posluns, v.p.-Fairweather; Donald J. Evans, v.p.-men's wear; Mickey Maklin, v.p.-Thrifty's; Norman Shaw, v.p.-M.I.S.; Donald Williams, secretary & chief financial officer; Harry Steinberg, v.p.-Fairweather; David Beiles, v.p.-corp. development; Carol Cox, v.p.-human resources; Vince Nitti, v.p.-retail development; Eric Paul, v.p.; Irving Teitelbaum, v.p.-women's wear; David Wolpin, v.p.-Paulman Apparel.

**Directors:** Kenneth Axelrod, D. W. Casey, J. F. Kay, S. F. Kay, David Korn, Irving Levine, Sydney Loftus, Irving Posluns, Richard Posluns, Wilfred Posluns, Lionel Robins, Harry Rosen, S. M. Sigel, W. H. Singer, H. J. Stitt, Henry Zagdanski, A. H. Zaldin, Irving Teitelbaum, Gordon Edelstone, Donald J. Evans, Russell Jacobson, Donald A. Williams, Wendy Posluns.

**Business Activities:** Engaged in the specialty merchandising of apparel with women's, men's and family retail clothing stores located throughout Canada. Stores operate under such names as Fairweather/Daniel Hechter, Big Steel Man, Braemar, Ruby's, Suzy Shier/L.A. Express, Tip Top, Harry Rosen, Thrifty's, T. Edwards, B. H. Emporium, Club Monaco, Alfred Sung, and Bi-Way. Manufactures women's and children's coats and dresses marketed under such brand names as "Young Canadian", "Thunder Bay", "Picknit", and "Nu Mode", men's and women's sweaters and men's casual clothing. Dylex holds a 50% interest in Town & Country, a chain of sports and casual women's wear stores, and a 48.5% interest in Drug World, which operates six drug stores in Ontario, Canada.

In the U.S., the Company operates Wet Seal and Foxmoor young women's apparel stores, Club International men's clothing stores, and NBO off-price clothing stores.

**Divisions and Subsidiaries:**

Manchester Clothing
9494 St. Laurent Boulevard
Montreal, Quebec H2N 1P4
Specializes in the manufacture of women's coats.

National Knitting Mills Company
1485 Dupont Street
Toronto, Ontario M6P 3S2
Manufactures men's and women's sweaters.

San Remo Knitting Mills Inc. (75% owned)
5333 Casgrain Street
Montreal, Quebec H3T 1X3
Manufactures men's casual clothing.

Forsyth Trading Company (26.67% interest)
36 Horner Avenue
Toronto, Ontario M8Z 5Y1

Irving Posluns' Outerwear
637 Lakeshore Boulevard West
Toronto, Ontario M5V 1A8
Coat manufacturers.

Nu Mode Dress (75% interest)
530 Adelaide Street West
Toronto, Ontario M5V 2K7
Manufactures women's dresses.

Paulman International Apparel Ltd. (75% owned)
955 Weston Road
Toronto, Ontario M6N 3R4

Shane Knit Ltd. (50% owned)
456 Alliance Avenue
Toronto, Ontario M6N 212
Manufactures men's and women's sweaters.

Suzy Shier Inc. (50.1% owned)
1604 St. Regis Boulevard
Dorval, Quebec H9P 1H6

B. H. Emporium
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Big Steel Man
637 Lakeshore Blvd. West
Toronto, Ontario

Bi-Way Stores Limited
Scarborough, Ontario M1S 3M7

Braemar
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Town & Country/Petites (50% owned)
4100 Weston Road
Toronto, Ontario M9L 2Y6

Fairweather/Daniel Hechter
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

NBO Stores, Inc.
60 Enterprise Avenue
Secaucus, New Jersey

Harry Rosen Inc. (51% owned)
111 Richmond Street West
Toronto, Ontario M5H 2G4

Target Apparel
(Integrated Manufacturing)
965 Weston Road
Toronto, Ontario M6N 3R4

Thrifty Riding & Sport Shop Limited
637 Lake Shore Blvd. W.
Toronto, Ontario M5V 1A8

Tip Top Tailors
637 Lakeshore Blvd., West
Toronto, Ontario M5V 1A8

Weston Apparel Manufacturing
(Integrated Manufacturing)
965 West Road
Toronto, Ontario M6N 3R4

T. Edwards
(48.5% interest)

The Wet Seal Inc.
(87.78% owned by Suzy Shier Inc.)
1852 Kaiser
Irvine, California 92714

Club International, Inc.
Fox Valley Shopping Centre
Highway 59 & 65
Aurora, Illinois 60505

Foxmoor Specialty Stores Corporation
(48.5% owned)
393 Manley Street
West Bridgewater, Massachusetts 02379

Drug World
(48.5% interest)

**Transfer Agent(s):**

The Royal Trust Company
Toronto, Ontario, Canada

**Stock Exchange(s):** Toronto, Montreal

**Ticker Symbol:** DLX

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,984 | 1985 | 2,680 |
| 1987 | 1,994 | 1984 | 2,500 |
| 1986 | 2,822 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1988 | $ 1,444,738 | $ 29,785 |
| 1987 | 1,299,856 | (117,821) |
| 1986 | 1,208,600 | 25,118 |
| 1985 | 1,082,133 | 46,753 |
| 1984 | 926,676 | 41,196 |

| | No. of Com. Shares # | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 49,335,000 | $ 0.63 |
| 1987 | 49,127,000 | — |
| 1986 | 48,047,000 | 0.51 |
| 1985 | 46,689,000 | 1.00 |
| 1984 | 46,689,000 | 0.88 |

(Loss)
‡ Before extraordinary items.
\# Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Retail | $ 1,383,656 | $ 1,228,086 |
| Manufacturing | 77,791 | 83,541 |
| Other | (16,709) | (11,771) |
| Total | $ 1,444,738 | $ 1,299,856 |

**Common Stock**

| | Cash Dividend‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.20 | — | — |
| 1987 | 0.20 | — | |
| 1986 | 0.20 | — | — |
| 1985 | 0.19 | — | 3-for-1 |
| 1984 | 0.17 | — | — |

‡ On common and Class A shares; adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 369,184,000 | $ 7.48 |
| 1987 | 355,052,000 | 7.23 |
| 1986 | 336,617,000 | 7.01 |
| 1985 | 269,031,000 | 5.76 |
| 1984 | 225,636,000 | 4.83 |

‡ Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,444,738 | $ 1,299,856 |
| Cost of sales | 1,308,898 | 1,175,865 |
| Depreciation & amortization | 32,644 | 27,872 |
| Interest expense | 34,511 | 27,548 |
| Interest income | (10,603) | (13,363) |
| Income before taxes | $ 79,288 | $ 81,934 |
| Income taxes | 37,183 | 41,610 |
| Loss from invest. | 6,965 | 1,726 |
| Minority interest | 3,882 | 3,468 |
| Settle. of Brooks Fashion litigation | 1,473 | — |
| Loss & writedown of invest. in Brooks Fashion | — | 152,951 |
| Net Income (Loss) | $ 29,785 | $ (117,821) |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & short-term deposits | $ 202,330 | $ 216,890 |
| Accts. receiv., net | 43,400 | 25,086 |
| *Inventories | 204,225 | 174,572 |
| Prepaid expenses | 3,785 | 4,779 |
| Deferred inc. taxes | — | 2,370 |
| Notes & other invest. | 2,913 | 2,640 |
| Current Assets | $ 456,653 | $ 426,337 |
| Investments | 80,044 | 113,039 |
| #Fixed assets | 79,628 | 73,819 |
| Leased assets under cap. leases | 78,314 | 72,659 |
| Intangibles | 47,963 | 17,497 |
| Total Assets | $ 742,602 | $ 703,351 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,858 | $ 886 |
| Accts. payable | 151,099 | 126,537 |
| Income and other taxes | 9,948 | 18,032 |
| Oblig. under cap. leases, curr. | 17,957 | 16,514 |
| Curr. liabilities | $ 180,862 | $ 161,969 |
| Long-term debt | 107,969 | 112,731 |
| Oblig. under cap. leases | 62,262 | 57,797 |
| Def. for. exch. gain | 2,392 | — |
| Minority interest | 18,846 | 15,802 |
| Deferred inc. taxes | 1,087 | — |
| Convertible debentures | 152,375 | 150,875 |
| +Common stock | 1,687 | 1,687 |
| +Class A stock | 92,853 | 89,750 |
| +Class C stock | 51,495 | 51,495 |
| Add. paid-in capital | 1,412 | 1,435 |
| Exch. trans. adjust. | (14,747) | (3,952) |
| Retained earnings | 84,109 | 63,762 |
| Total Liabilities & Shareholders' Equity | $ 742,602 | $ 703,351 |

* At lower of cost and net realizable value. Mfg. inventories at lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.49 | 6.30 |
| %Net Income to Sales | 2.06 | — |
| %Net Income to Equity | 8.07 | — |
| Sales to Inventories | 7.07 | 7.45 |
| Debt to Equity | 0.51 | 0.53 |
| Working Capital | $ 275,791,000 | $ 264,368,000 |
| Current Ratio | 2.52 | 2.63 |
| Shareholders' Equity | $ 369,184,000 | $ 355,052,000 |

## E&B Marine Inc.

201 Meadow Road
P.O. Box 747
Edison, New Jersey 08818
(201) 819-7400

**Officers:** Richard E. Kroon, chairman of the board; Kenneth Lever, president & chief executive officer; Frederick H. Bond, Jr., executive v.p., chief financial officer & treasurer; Robert Defonte, sr. v.p. & secretary; Charles Goldberg, president-Goldbergs' Marine, Inc.; Richard Goldberg, v.p.-marketing; Daniel B. Morris, controller & asst. treasurer; Thomas Grabowski, director-store operations; Jack Howie, director-real estate; Andrew Riegler, director-management information systems; William Metz, director-mail order sales.

**Directors:** Richard E. Kroon, chairman of the board; Frederick H. Bond, Jr., Charles Goldberg, Robert Defonte, John H. Weiland, Randall S. Uner, Joseph M. Cabon, Richard Goldberg, Daniel B. Morris, Thomas Grabowski, Jack Howie, Andrew Riegler.

**Business Activities:** Operates 31 retail outlets in nine eastern states. These outlets sell marine supplies and accessories, for the recreational boating market, and operate under the names "E&B Marine," "Bliss Marine," and "Goldbergs' Marine." The Company also sells marine merchandise through direct mail.

**Subsidiaries:**

Goldbergs' Marine, Inc.
James Bliss & Co., Inc.
E&B Marine Supply Inc.
Central Marine Supply Inc.
SeaRanger

**Transfer Agent(s):**

Manufacturers Hanover Trust Co.
450 West 33rd Street
New York, New York 10001

**Stock Exchange(s):** Over-the-Counter, Boston

**Ticker Symbol:** EBMI (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 31 | 1985 | 25 |
| 1987 | 30 | 1984 | 15 |
| 1986 | 31 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 88,621,000 | $ (14,790,000) |
| 1987 | 84,512,000 | (4,904,000) |
| 1986 | 80,524,000 | (1,661,000) |
| 1985 | 56,374,000 | 1,301,000 |
| 1984 | 39,356,000 | 1,909,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,000,000 | $ — |
| 1987 | 1,986,000 | — |
| 1986 | 1,980,000 | — |
| 1985 | 2,065,000 | 0.63 |
| 1984 | 2,328,000 | 0.65 |

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ (8,869,000) | $ — |
| 1987 | 5,678,000 | 2.86 |
| 1986 | 10,467,000 | 5.29 |
| 1985 | 11,955,000 | 5.79 |
| 1984 | 14,843,000 | 6.38 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 88,621,164 | $ 84,511,627 |
| Cost of sales | 55,691,427 | 55,124,064 |
| Expenses | 34,486,008 | 31,343,057 |
| Depreciation & amortization | 2,795,222 | 2,116,956 |
| Interest expense | 2,776,274 | 2,831,601 |
| Loss before tax | $ (14,789,997) | $ (6,904,051) |
| Tax credit | — | (2,000,000) |
| Net Loss | $ 14,789,997) | $ (4,904,051) |

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 496,550 | $ 605,049 |
| Accts. receiv., net | 1,099,941 | 848,518 |
| Refundable taxes | 143,324 | 2,280,045 |
| *Inventories | 17,358,552 | 16,083,083 |
| Prepaid expenses | 1,209,410 | 1,062,123 |
| Loans receivable | 55,018 | 52,759 |
| Current Assets | $ 20,362,795 | $ 20,931,577 |
| Notes receivable | — | 750,000 |
| #Fixed assets | 4,171,148 | 5,202,281 |
| Customer lists | 2,482,983 | 3,558,879 |
| Other assets | 1,302,316 | 1,357,580 |
| Intangibles | 2,230,101 | 7,796,999 |
| Loans receivable | — | 906,637 |
| Total Assets | $ 30,549,343 | $ 40,503,953 |

**Liabilities**

| | | |
|---|---|---|
| Revolving line of credit | $ 600,000 | $ — |
| Long-term debt, curr. | 64,092 | 78,134 |
| Accts. payable & accruals | 12,853,574 | 6,695,562 |
| Curr. Liabilities | $ 13,517,666 | $ 6,773,696 |
| Revolving line of credit | 10,000,000 | 11,500,000 |
| Note payable | 710,000 | 710,000 |
| Convert. debentures | — | 750,000 |
| Long-term debt | 15,010,425 | 15,092,342 |
| Other liabilities | 180,000 | — |
| +Common stock | 23,448 | 23,198 |
| Add. paid-in capital | 10,091,305 | 10,028,883 |
| Retained earnings (deficit) | (15,052,234) | (272,237) |
| Treasury stock | (3,344,392) | (3,436,304) |
| Value assigned to unearned comp. | (576,875) | (665,625) |
| Total Liabilities & Shareholders' Equity | $ 30,549,343 | $ 40,503,953 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 5.11 | 5.25 |
| Debt to Equity | — | 2.67 |
| Working Capital | $ 6,845,129 | $ 14,157,881 |
| Current Ratio | 1.51 | 3.09 |
| Shareholders' Equity (Deficiency) | $ (8,868,748) | $ 5,677,915 |

## Edison Brothers Stores, Inc.

501 North Broadway
P.O. Box 14020
St. Louis, Missouri 63178
(314) 331-6000

**Officers:** Andrew E. Newman, chairman of the board; Martin K. Sneider, president; Willard Fonarow, exec. v.p.; Alan A. Sachs, v.p. & secretary; G. Richard Oscarson, vice president-real estate; Bernard W. Colton, vice president-architecture & construction; Michael H. Freund, vice president-administration; Walter H. Heinecke, vice president-real estate; Arthur J. Hollenbach, vice president-traffic manager; George M. Spreiser, vice president-distribution centers; Surendra S. Singhvi, vice president-treasurer; Lee G. Weeks, vice president-finance; Norman Gold, vice president-controller; Jerald M. Alton, vice president-asst. secretary; Thomas K. McCain, vice president-taxes; Joe C. Brown, vice president-real estate; Mark I. Litow, vice president-legal; Roger L. Koehnecke, vice president-information systems; Eric A. Freesmeier, vice president-human resources; Richard J. Allan, vice president; Paulette Crawford, vice president; William J. Young, vice president; Robert Sterneck, asst. v.p.; Benjamin T. Allen, asst. v.p.; Paul J. Goldak, asst. v.p.; Theodore E. Fanter, asst. v.p.; Thomas M. Feiner, asst. v.p.; Sharon Hesse, asst. v.p.; Mary Beth Tevis, asst. v.p.; James C. Blair, asst. v.p.; Barbara H. Lageson, asst. v.p.; Elisabeth Y. Merenda, asst. v.p.; Kenneth C. Vaught, asst. v.p.; Kim E. Abel, asst. v.p.; Celia Eisen, asst. v.p.; Debra G. Pregler, asst. v.p..

**Directors:** Irving Edison, Bernard A. Edison, Julian I. Edison, Eric P. Newman, Henry Kohn, Walter H. Heinecke, Lee G. Weeks, Andrew E. Newman, Darryl R. Francis, M. Richard Wyman, Martin Sneider, Michael H. Freund, Peter J. Solomon, Karl W. Michner.

**Business Activities:** Operates women's shoe stores under the names Chandlers, Bakers, Leeds, Burts, Sacha London and The Wild Pair; also operates leased shoe departments; operates Jeans West, Oak Tree, and J. Riggins men's apparel stores, 5-7-9 Shops women's apparel stores, and Joan Bari accessories boutiques.

**Transfer Agent(s):**

Mellon Securities Trust Company
New York, New York 10271

**Stock Exchange(s):** New York

**Ticker Symbol:** EBS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 2,347 | 1985 | 2,435 |
| 1987 | 2,514 | 1984 | 2,355 |
| 1986 | 2,475 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 918,600,000 | $ 36,300,000 |
| 1987 | 931,000,000 | (12,200,000) |
| 1986* | 904,200,000 | 33,900,000 |
| 1985 | 808,380,000 | 27,000,000 |
| 1984 | 785,900,000 | 32,900,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 9,984,000 | $ 3.64 |
| 1987 | 9,919,000 | — |
| 1986* | 10,095,000 | 3.36 |
| 1985 | 10,145,000 | 2.66 |
| 1984 | 10,305,000 | 3.19 |

(Loss)
* 53 weeks.
# Based on the weighted average number of common shares outstanding.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Footwear | $ 459,600,000 | $ 531,600,000 |
| Apparel | 459,000,000 | 399,400,000 |
| Total | $ 918,600,000 | $ 931,000,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.80 | — | — |
| 1987 | 1.80 | — | |
| 1986 | 1.60 | — | — |
| 1985 | 1.60 | — | — |
| 1984 | 1.60 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 212,900,000 | $ 21.32 |
| 1987 | 193,300,000 | 19.49 |
| 1986 | 224,900,000 | 22.28 |
| 1985 | 215,900,000 | 21.28 |
| 1984 | 282,600,000 | 27.42 |

‡ Based on the weighted average number of common shares outstanding.

**Income Account * (000's)**

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 918,600 | $ 931,000 |
| Cost of sales | 591,900 | 646,700 |
| Expenses | 256,500 | 261,700 |
| Restruc. costs (gains) | (1,800) | 53,900 |
| Interest expense | 11,800 | 9,200 |
| Pension settlement gain | — | (6,000) |
| Income (loss) before taxes | $ 60,200 | $ (34,500) |
| Income taxes (credit) | 23,900 | (13,600) |
| Cum. effect of change in accntg. meth. | — | (8,700) |
| Net Income (Loss) | $ 36,300 | $ (12,200) |

* Included in Costs and Expenses, Depreciation and Amortization: $31,100,000 in 1988 and $30,800,000 in 1987.

**Assets (000's)**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash & short-term invest. | $ 100,900 | $ 36,300 |
| *Inventories | 143,400 | 116,200 |
| Assets held for resale | 7,400 | 10,100 |
| Def. inc. taxes | 17,900 | 15,100 |
| Other curr. assets | 20,000 | 22,000 |
| Current Assets | $ 289,600 | $ 199,700 |
| #Fixed assets | 178,900 | 169,000 |
| Intangibles | 18,300 | 25,100 |
| Prepaid pension expense | 23,900 | 23,800 |
| Other assets | 2,000 | 1,600 |
| Total Assets | $ 512,700 | $ 419,200 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Accts. payable | $ 62,900 | $ 55,700 |
| Payroll & vacations | 13,100 | 13,500 |
| Income taxes | 21,400 | 1,300 |
| Other taxes | 13,700 | 11,500 |
| Phaseout reserves | 17,500 | 19,700 |
| Other curr. liabilities | 16,300 | 20,900 |
| Curr. Liabilities | $ 144,900 | $ 122,600 |
| Long-term debt | 102,200 | 64,600 |
| Deferred inc. taxes | 26,500 | 28,400 |
| Other liabilities | 26,200 | 10,300 |
| +Common stock | 10,000 | 9,900 |
| Add. paid-in capital | 1,200 | — |
| Retained earnings | 201,700 | 183,400 |
| Total Liabilities & Shareholders' Equity | $ 512,700 | $ 419,200 |

* 57% at lower of cost (principally average) or market; 43% based on the retail method.
# Less accumulated depreciation & amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.55 | — |
| %Net Income to Sales | 3.95 | — |
| %Net Income to Equity | 17.05 | — |
| Sales to Inventories | 6.41 | 8.01 |
| Debt to Equity | 0.48 | 0.33 |
| Working Capital | $ 144,700,000 | $ 77,100,000 |
| Current Ratio | 2.00 | 1.63 |
| Shareholders' Equity | $ 212,900,000 | $ 193,300,000 |

## Egghead, Inc.

22011 S.E. 51st Street
P.O. Box 7004
Issaquah, Washington 98027
(206) 391-0880
c

**Officers:** Victor D. Alhadeff, chairman of the board; Stuart M. Sloan, president & chief exec. officer; Ronald A. Weinstein, exec. v.p.-merchandising; Matthew J. Griffin, exec. v.p.-administration; Larry Foster, sr. v.p.-general merchandising; Carolyn J. Tobias, sr. v.p. & chief financial officer; Norman Behar, sr. v.p.-direct sales; Dennis Zook, sr. v.p.-store operations; R. J. Henely, v.p.-real estate; David E. Levy, v.p.-marketing; Elaine P. Scherba, v.p. & treasurer; James E. Smith, v.p.-human resources.

**Directors:** Victor D. Alhadeff, chairman; Paul G. Allen, Bert R. Cohen, Ronald P. Erickson, William S. Field, Steven E. Lebow, George P. Orban, Herman Sarkowsky, Stuart M. Sloan, Samuel N. Stroum, Ronald A. Weinstein.

**Business Activities:** Operates 196 retail outlets engaged in the sale of personal computer software. These outlets are located in 18 states, the District of Columbia, and British Columbia, Canada, and operate under the name "Egghead Discount Software." The Company also maintains a direct sales staff.

**Subsidiaries:**

DJ&J Software Corporation
Egghead Software Services, Inc.
Eggspert Software, Ltd.

**Transfer Agent(s):**

Bank of Boston
Boston, Massachusetts

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** EGGS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 196 | 1986 | 19 |
| 1988 | 112 | 1985 | 10 |
| 1987 | 47 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 342,427,000 | $ (12,089,000) |
| 1988* | 201,096,000 | 4,624,000 |
| 1987 | 77,568,000 | 1,974,000 |
| 1986 | 26,598,000 | (669,000) |
| 1985 | 5,357,000 | (444,000) |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 15,052,000 | $ — |
| 1988* | 10,417,000 | 0.44 |
| 1987 | 8,261,000 | 0.24 |
| 1986 | 4,260,900 | — |
| 1985 | 2,995,000 | — |

(Loss)
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 105,403,000 | $ 7.00 |
| 1988 | 5,508,000 † | 0.53 |
| 1987 | 1,099,000 † | 0.13 |

† After allowing for preferred stock at liquidation values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Income Account (000's)

| Year ended | 4/1/89 | 4/2/88 |
|---|---|---|
| Net sales | $ 342,427 | $ 201,096 |
| Cost of sales | 279,759 | 158,015 |
| Expenses | 68,537 | 32,466 |
| Depreciation & amortization | 3,721 | 1,502 |
| Interest expense | 469 | 1,093 |
| Interest income | (865) | (100) |
| Loss on dispos. of assets | 5,013 | 443 |
| Other expense | 160 | 58 |
| Inc. (loss) bef. taxes | $ (14,367) | $ 7,619 |
| Income taxes (credit) | (2,895) | 2,995 |
| Cum. effect of acct. change | 617 | — |
| Net Income (Loss) | $ (11,472) | $ 4,624 |

### Assets (000's)

| As of | 4/1/89 | 4/2/88 |
|---|---|---|
| Cash | $ 5,800 | $ 4,538 |
| Accts. receiv., net | 45,328 | 22,662 |
| Inc. tax refund | 4,923 | — |
| *Inventories | 72,067 | 44,455 |
| Prepaid expenses | 6,052 | 4,195 |
| Deferred tax benefit | — | 794 |
| Current Assets | $ 134,170 | $ 76,644 |
| #Fixed assets | 24,897 | 16,121 |
| Other assets | 858 | 1,049 |
| Total Assets | $ 159,925 | $ 93,814 |

### Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ — | $ 461 |
| Cap. lease oblig., curr. | 346 | 131 |
| Outstanding checks | 7,304 | 1,354 |
| Accts. payable | 37,467 | 28,469 |
| Accruals | 8,089 | 6,189 |
| Income taxes | — | 2,216 |
| Curr. Liabilities | $ 53,206 | $ 38,820 |
| Long-term debt | — | 15,349 |
| Cap. lease oblig. | 71 | 278 |
| Deferred rent | 1,245 | 868 |
| Deferred inc. taxes | — | 539 |
| +Preferred stock: | | |
| Series A | — | 34 |
| Series B | — | 17 |
| Series C | — | 15 |
| ++Common stock | 162 | 42 |
| Add. paid-in capital | 111,901 | 32,423 |
| Retained earnings (deficit) | (6,660) | 5,429 |
| Total Liabilities & Shareholders' Equity | $ 159,925 | $ 93,814 |

* At lower of cost (moving weighted average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; Series A: 8% non-cumulative, Series B: 2.66% non-cumulative, Series C: 1.66% non-cumulative.
++ $0.01 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 3.79 |
| %Net Income to Sales | — | 2.30 |
| %Net Income to Equity | — | 12.18 |
| Sales to Inventories | 4.75 | 4.52 |
| Debt to Equity | — | 0.43 |
| Working Capital | $ 80,964,000 | $ 37,824,000 |
| Current Ratio | 2.52 | 1.97 |
| Shareholders' Equity | $ 105,403,000 | $ 37,960,000 |

## Evans, Inc.

36 South State Street
Chicago, Illinois 60603
(312) 855-2000

**Officers:** David Meltzer, chairman of the board; Robert K. Meltzer, president & chief executive officer; Harold Sussman, executive vice president; Patrick J. Regan, v.p.-finance & treasurer; Robert Parraga, v.p.-personnel; Irving Karm, exec. v.p.-nat'l. operations; Robert R. Meltzer, v.p.-merchandising; Samuel B. Garber, v.p., secretary & general counsel; Fred Handel, exec. v.p.-general fur merchandising manager; Barry Novick, sr. v.p. & pres.-Fur Division; Robert LaBelle, v.p.-stores; Paul Becker, v.p.-merchandising; Patricia Mechanic, v.p. & gen. merchandise mgr.-Apparel Division.

**Directors:** D. B. Meltzer, chairman; Miles L. Berger, Robert K. Meltzer, David B. Heller, Harold Sussman, Burton L. Gordon, Edmond D. Cicala.

**Business Activities:** Owns and operates 28 women's apparel stores specializing in furs. The stores are located in Illinois, Indiana, Colorado, Arizona, Texas, Louisiana, Oklahoma, Maryland, Virginia, New York, Georgia, and Washington, D.C. In addition, the company leases fur salons in 122 locations from 11 major department stores. Company-owned stores operate primarily under the names Evans, Koslow's, Arctic Dream, and Rosendorf/Evans.

**Transfer Agent(s):**

First National Bank of Chicago
Chicago, Illinois

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** EVAN (NASDAQ)

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 28 | 1985 | 22 |
| 1987 | 27 | 1984 | 18 |
| 1986 | 25 | | |

*Company-owned and -operated stores only.

### Sales & Earnings

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1989 | $ 148,029,000 | $ (3,792,000) |
| 1988 | 147,765,000 | (903,000) |
| 1987 | 156,635,000 | 2,090,000 |
| 1986 | 147,644,000 | 1,733,000 |
| 1985 | 145,658,000 | 5,658,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 4,934,620 | $ — |
| 1988 | 4,921,864 | — |
| 1987 | 4,518,213 | 0.46 |
| 1986 | 3,969,571 | 0.44 |
| 1985 | 4,567,050 | 1.24 |

(Loss)
‡ Includes service and other revenues.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

### Common Stock

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ — | — | — |
| 1988 | 0.02 | — | |
| 1987 | 0.04 | — | — |
| 1986 | 0.03 | — | 9-for-1 |
| 1985 | 0.033 | — | — |

# Adjusted to reflect stock split.

### Common Stock Equity

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1989 | $ 48,081,000 | $ 9.77 |
| 1988 | 51,885,000 | 10.54 |
| 1987 | 52,706,000 | 10.74 |
| 1986 | 37,277,000 | 9.44 |
| 1985 | 35,508,000 | 9.02 |

# Adjusted to reflect stock split.

### Income Account* (000's)

| Year ended | 2/25/89 | 2/27/88 |
|---|---|---|
| Net sales | $ 133,125 | $ 133,201 |
| Other income | 14,904 | 14,564 |
| Total income | $ 148,029 | $ 147,765 |
| Cost of sales | 99,310 | 96,618 |
| Expenses | 50,170 | 48,912 |
| Prov. for doubt. accts. | 705 | 816 |
| Interest expense | 3,590 | 4,181 |
| Other income | (1,073) | (114) |
| Reorg. costs | 1,988 | — |
| Loss before taxes | $ (6,661) | $ (2,648) |
| Tax credit | (2,869) | (969) |
| Cum. effect of accntg. change | — | (776) |
| Net Loss | $ (3,792) | $ (903) |

* Included in Costs and Expenses, Depreciation and Amortization: $2,696,000 in 1989 and $2,516,000 in 1988.

### Assets (000's)

| As of | 2/25/89 | 2/27/88 |
|---|---|---|
| Cash & cash equivalents | $ 12,255 | $ 16,418 |
| Receiv., net | 29,951 | 29,469 |
| *Inventories | 27,503 | 27,412 |
| Prepaid expenses | 2,525 | 3,614 |
| Refund. inc. taxes | 1,795 | 201 |
| Def. inc. taxes | 2,261 | — |
| Current Assets | $ 76,290 | $ 77,114 |
| #Fixed assets | 19,388 | 19,100 |
| Other assets | 3,412 | 3,476 |
| Total Assets | $ 99,090 | $ 99,690 |

### Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,013 | $ 2,217 |
| Accts. payable | 11,096 | 4,911 |
| Accruals | 9,740 | 8,736 |
| Income taxes | — | 123 |
| Curr. Liabilities | $ 22,847 | $ 15,987 |
| Long-term debt | 23,326 | 25,299 |
| Deferred compensation | 4,836 | 6,519 |
| +Common stock | 1,267 | 1,267 |
| Add. paid-in capital | 15,660 | 15,673 |
| Retained earnings | 35,729 | 39,521 |
| Treasury stock | (4,575) | (4,576) |
| Total Liabilities & Shareholders' Equity | $ 99,090 | $ 99,690 |

* At lower of cost (invoice amount for furs & retail method) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.84 | 4.86 |
| Debt to Equity | 0.53 | 0.53 |
| Working Capital | $ 53,443,000 | $ 61,127,000 |
| Current Ratio | 3.34 | 4.82 |
| Shareholders' Equity | $ 48,081,000 | $ 51,885,000 |

## F.W. Woolworth Co.

Woolworth Building

233 Broadway
New York, New York 10279
(212) 533-2000

**Officers:** Harold E. Sells, chairman of the board & chief exec. officer; Frederick E. Hennig, president & chief operating officer; Arnold S. Anderson, exec. v.p.-administration & general counsel; John H. Cannon, v.p. & treasurer; William K. Lavin, exec. v.p.-finance & chief financial officer; Joseph F. Carroll, v.p.-public affairs; Ted M. Annenberg, v.p.-deputy general counsel; Roy L. Garofalo, v.p.-investor relations; Aubrey C. Lewis, v.p.-corporate liaison; C. Jackson Gray, v.p.-corporate planning & development; Thomas E. Page, v.p.-controller; Henry C. Miner, III, v.p.-taxation; Gary H. Brown, v.p.-real property; Charles T. Young, v.p.-management information systems; William R. Forcht, v.p.-human resources; William B. Thomson, secretary; Jacqueline D. Delafuente, asst. v.p.-law dept.; James J. O'Neil, asst. v.p.-taxation; Michael T. Steven, asst. controller; Laura T. Kirsner, asst. controller; Gary M. Bahler, asst. secretary; Christopher J. Hoey, asst. secretary; S. William Manteria, asst. secretary; James J. Pirretti, asst. secretary; Bohdan S. Kosovych, asst. secretary; Frances E. Trachter, asst. secretary; Alfonso Tino, asst. treasurer.

**Directors:** Harold E. Sells*, chairman; Fred Kirby*, Seymour H. Knox, III*, Andrew F. Peck*, Margaret P. MacKimm*, John W. Adams*, Jarobin Gilbert, Jr.*, Eugene J. Sullivan*, James E. Preston*, Helen Galland*, John J. Mackowski*, John W. Lynn*, Frederick E. Hennig.

* Member of the Executive Committee

**Business Activities:** Operates 1,641 general merchandise retail stores under the Woolworth, Woolco, and Mini Shops names throughout the U.S., and in Canada, Mexico, and West Germany. The Company also operates 6,098 specialty stores and leased departments in the U.S., Canada, West Germany, and Australia. Specialty stores operations include 1,813 Kinney family shoe stores, 1,160 Foot Locker athletic footwear and apparel stores, 461 Lady Foot Locker athletic footwear and apparel stores and leased departments located in Woolco stores, 285 Mathers family shoe stoes, 207 Athletic X-Press family athletic footwear and apparel stores, 165 Williams the Shoemen family shoe stores, 398 Kids Mart infants' and children's apparel stores, 243 Susie's women's clothing stores, 245 Afterthoughts/Carimar and 26 Rubin costume jewelry, handbags and accessories stores, 148 Richman men's and women's apparel stores, 129 Anderson-Little women's and men's clothing stores, 91 Fredelle women's high-fashion apparel stores, 81 Randy River stores which sell women's high-fashion footwear in Australia and men's clothing in Canada, 134 Champs athletic equipment, footwear and activewear stores, 98 Sportelle women's casual apparel stores, 41 Raglans unisex casual apparel stores, 79 Moderna/De Schuh family shoe stores in West Germany, 71 Robinson's stores which sell apparel and other merchandise, 42 Northern Reflections stoers which sell women's outdoor sportswear, 36 Footquarters discount family shoe stores, 21 Canary Island stores featuring men's and women's travel and vacation apparel, and 18 Little Folk Shops featuring brand-name infants' and children's apparel, among others.

**Divisions and Subsidiaries:**

F.W. Woolworth Co. Limited, Canada
Retail Company of Germany, Inc.

Kinney Shoe Corporation
New York, New York

The Richman Brothers Company
Fall River, Massachusetts

The RX Place
Holtzman's Little Folk Shop, Inc.
U.S. Woolworth Division

Woolworth Oversea Corp.
Woolworth Mexicana, S.A. de C.V. (49% owned)

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

**Stock Exchange(s):** New York, Toronto, Boston*, Cincinnati*, Midwest*, Philadelphia*, Pacific* *Unlisted trading privileges

**Ticker Symbol:** Z

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 7,739 | 1985 | 5,822 |
| 1987 | 6,799 | 1984 | 5,569 |
| 1986 | 6,309 | | |

* Includes leased departments.

**Sales & Earnings**

| | Revenues ‡ | Net Income |
|---|---|---|
| 1988 | $ 8,088,000,000 | $ 288,000,000 |
| 1987 | 7,177,000,000 | 251,000,000 |
| 1986 | 6,531,000,000 | 214,000,000 |
| 1985 | 5,990,000,000 | 177,000,000 |
| 1984 | 5,763,000,000 | 141,000,000 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1988 | 64,000,000 | $ 4.47 |
| 1987 | 66,000,000 | 3.81 |
| 1986 | 65,000,000 | 3.25 |
| 1985 | 64,000,000 | 2.75 |
| 1984 | 63,000,000 | 2.22 |

‡ Includes sales of leased departments; of continuing operations only.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Specialty: | | |
| Domestic | $ 2,590,000 | $ 2,154,000 |
| Foreign | 2,154,000 | 426,000 |
| General merchandise: | | |
| Domestic | 2,097,000 | 2,027,000 |
| Foreign | 2,885,000 | 2,636,000 |
| Corp. & intersegment | (99,000) | (66,000) |
| Total | $ 8,088,000 | $ 7,177,000 |

**Common Stock**

| | Cash Dividend† | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.64 | — | — |
| 1987 | 1.32 | — | — |
| 1986 | 1.12 | — | 2-for-1 |
| 1985 | 1.00 | — | — |
| 1984 | 0.90 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity ‡ (000's) | Equity Per Share † |
|---|---|---|
| 1988 | $ 1,835,945,000 | $ 28.69 |
| 1987 | 1,707,000,000 | 26.54 |
| 1986 | 1,473,000,000 | 22.49 |
| 1985 | 1,205,000,000 | 18.80 |
| 1984 | 1,028,000,000 | 16.34 |

‡ After allowing for preferred stock at involuntary liquidation value.
† Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Revenues | $ 8,088,000 | $ 7,177,000 |
| Cost of revenues | 5,333,000 | 4,714,000 |
| Expenses | 2,063,000 | 1,859,000 |
| Depreciation & amortization | 1,777,000 | 147,000 |
| Interest expense | 71,000 | 51,000 |
| Income before taxes | $ 444,000 | $ 406,000 |
| Income taxes | 156,000 | 155,000 |
| Net Income | $ 288,000 | $ 251,000 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 81,000 | $ 259,000 |
| *Inventories | 1,715,000 | 1,522,000 |
| Other curr. assets | 153,000 | 149,000 |
| Current Assets | $ 1,949,000 | $ 1,930,000 |
| #Fixed assets | 1,278,000 | 1,150,000 |
| Leased prop. under cap. leases | 78,000 | 82,000 |
| Other assets | 230,000 | 137,000 |
| Total Assets | $ 3,535,000 | $ 3,299,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 23,000 | $ 19,000 |
| Accts. payable | 693,000 | 654,000 |
| Accruals | 380,000 | 330,000 |
| Dividends payable | 26,000 | 21,000 |
| Income taxes | 44,000 | 60,000 |
| Curr. Liabilities | $ 1,166,000 | $ 1,084,000 |
| Long-term debt | 252,000 | 243,000 |
| Other liabilities | 104,000 | 104,000 |
| Oblig. under cap. leases | 95,000 | 101,000 |
| Defer. income taxes | 74,000 | 51,000 |
| +Preferred stock | 1,000 | 1,000 |
| ++Common stock | 247,000 | 250,000 |
| Retained earnings | 1,586,000 | 1,403,000 |
| Treasury stock | (92,000) | (73,000) |
| For curr. trans. adj. | 102,000 | 135,000 |
| Total Liabilities & Shareholders Equity | $ 3,535,000 | $ 3,299,000 |

* At lower of cost or market. LIFO for domestic inventories, FIFO for foreign.
# Less accumulated depreciation.
+ $1 par value. $2.20 Series A, convertible.
++ $3.33 1/3 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 5.49 | 5.66 |
| %Net Income to Revenues | 15.62 | 3.50 |
| %Net Income to Equity | 3.56 | 14.63 |
| Debt to Equity | 0.15 | 0.21 |
| Working Capital | $ 783,000,000 | $ 846,000,000 |
| Current Ratio | 1.67 | 1.78 |
| Shareholders' Equity | $ 1,844,000,000 | $ 1,716,000,000 |

## Fabri-Centers of America, Inc.

23550 Commerce Park Road
Beachwood, Ohio 44122
(216) 464-2500

**Officers:** Martin Rosskamm, chairman; Alan Rosskamm, president & chief executive officer; James Monro, Jr., exec. v.p.; Robert Norton, exec. v.p. & chief financial officer; John Stec, sr. v.p.-real estate; Alma Zimmerman, senior v.p.; Justin Zimmerman, senior v.p.; Paul Lechner, sr. v.p.-store operations; Betty Rosskamm, secretary & treasurer; Travis Ballew, v.p.-merchandising; Jane Aggers,

## Fabri-Centers of America, Inc.

v.p.-merchandising; Donna Halpin, v.p.-sales promotion; Joseph Williams, v.p. & controller; Ellen Kelly, v.p.-human resources; Richard Grice, v.p.-logistics; Tim Hopkins, president-Cargo Express.

**Directors:** Sidney Dworkin, Alan Rosskamm, Betty Rosskamm, Joseph H. Thomas, Alma Zimmerman, Justin Zimmerman, Scott S. Cowen, Martin Rosskamm, Samuel J. Krasney, James Monro, Jr..

**Business Activities:** Operates a chain of retail fabric stores, primarily under the names Jo-Ann Fabrics, Best Fabric Outlet, and House of Fine Fabrics, in 35 states and the District of Columbia. Company outlets sell a wide variety of fashion and decorator fabrics, sewing notions, patterns and related accessories. The Company also operates 12 Cargo Express stores, which retail glassware, tableware and housewares.

**Transfer Agent(s):**

AmeriTrust Company, National Association
Cleveland, Ohio

**Stock Exchange(s):** New York

**Ticker Symbol:** FCA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 638 | 1986 | 670 |
| 1988 | 653 | 1985 | 669 |
| 1987 | 669 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 290,862,000 | $ 5,093,000 |
| 1988 | 266,676,000 | (4,909,000) |
| 1987 | 239,352,000 | 1,798,000 |
| 1986 | 233,153,000 | 1,034,000 |
| 1985* | 226,937,000 | 3,875,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 5,032,423 | $ 1.01 |
| 1988 | 5,006,774 | — |
| 1987 | 4,980,392 | 0.36 |
| 1986 | 5,082,701 | 0.20 |
| 1985* | 5,095,376 | 0.76 |

(Loss)
* 53 weeks.
‡ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ — | — | — |
| 1988 | 0.14 | — | |
| 1987 | 0.28 | — | — |
| 1986 | 0.28 | — | — |
| 1985 | 0.28 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 59,552,000 | $ 11.83 |
| 1988 | 54,257,000 | 10.84 |
| 1987 | 59,727,000 | 11.99 |
| 1986 | 60,057,000 | 11.86 |
| 1985 | 60,247,000 | 11.91 |

‡ Based on the average number of shares outstanding.

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 290,862,000 | $ 266,676,000 |
| Cost of sales | 159,965,000 | 144,835,000 |
| Expenses | 119,981,000 | 122,042,000 |
| Interest expense | 2,962,000 | 2,870,000 |
| Unusual item | — | 5,243,000 |
| Income (loss) before taxes | $ 7,954,000 | $ (8,314,000) |
| Income taxes (credit) | 2,861,000 | (3,405,000) |
| Net Income (Loss) | $ 5,093,000 | $ (4,909,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $4,499,000 in 1989 and $5,179,000 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 6,615,000 | $ 3,417,000 |
| Receiv., net | 1,333,000 | 2,441,000 |
| *Inventories | 97,933,000 | 86,050,000 |
| Prepaid expenses | 2,961,000 | 2,731,000 |
| Refund. inc. taxes | — | 2,069,000 |
| Def. inc. taxes | 1,649,000 | 2,342,000 |
| Current Assets | $ 110,491,000 | $ 99,050,000 |
| # Fixed assets | 22,392,000 | 23,186,000 |
| Other assets | 1,670,000 | 1,539,000 |
| Total Assets | $ 134,553,000 | $ 123,775,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 879,000 | $ 803,000 |
| Accts. payable | 37,680,000 | 28,608,000 |
| Accruals | 8,629,000 | 7,535,000 |
| Income taxes | 2,145,000 | — |
| Curr. Liabilities | $ 49,333,000 | $ 36,946,000 |
| Long-term debt | 23,043,000 | 30,022,000 |
| Deferred inc. taxes | 2,367,000 | 2,203,000 |
| Other long-term liabilities | 258,000 | 347,000 |
| +Common stock | 508,000 | 501,000 |
| Add. paid-in capital | 16,421,000 | 15,598,000 |
| Unearned comp. | (940,000) | (465,000) |
| Retained earnings | 43,716,000 | 38,623,000 |
| Treasury stock | (153,000) | — |
| Total Liabilities & Shareholders' Equity | $ 134,553,000 | $ 123,775,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $0.10 stated value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.73 | — |
| %Net Income to Sales | 1.75 | — |
| %Net Income to Equity | 8.55 | — |
| Sales to Inventories | 2.97 | 3.10 |
| Debt to Equity | 0.40 | 0.57 |
| Working Capital | $ 61,158,000 | $ 62,104,000 |
| Current Ratio | 2.24 | 2.68 |
| Shareholders' Equity | $ 59,552,000 | $ 54,257,000 |

## Fabricland, Inc.

2035 N.E. 181st Avenue
Portland, Oregon 97230
(503) 666-4511

**Officers:** Tony J. Bosboom, president & chief executive officer; Judith A. Bennett, v.p.-marketing & public relations; Raymon Cantu, v.p.-property management/real estate; Ronald E. Westcott, v.p.-purchasing; Lauri M. Harah, v.p.-retail sales; Myron C. Parry, v.p.-warehousing & distribution.

**Directors:** Tony J. Bosboom, Jacques B. Nichols, William E. Mahar.

**Business Activities:** Wholesalers and retailers of domestic and imported fabrics, sewing notions and trimmings. Operates retail stores in Oregon, Washington, Montana, Idaho, Arizona, and California, under the "Fabricland" name.

**Transfer Agent(s):**

First Interstate Bank of Oregon
Portland, Oregon

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** FBRC (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 69 | 1985 | 53 |
| 1987 | 60 | 1984 | 49 |
| 1986 | 58 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 63,101,000 | $ 2,808,000 |
| 1987 | 52,216,000 | 2,137,000 |
| 1986 | 47,142,000 | 1,664,000 |
| 1985 | 38,479,000 | 1,558,000 |
| 1984* | 16,182,000 | 561,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,682,000 | $ 1.05 |
| 1987 | 2,685,000 | 0.80 |
| 1986 | 2,558,000 | 0.65 |
| 1985 | 2,185,000 | 0.71 |
| 1984* | 2,185,000 | 0.26 |

* 6 months.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.14 | — | — |
| 1987 | 0.12 | — | |
| 1986 | 0.12 | — | — |
| 1985 | 0.10 | — | 2-for-1 |
| 1984 | 0.038 | — | 2-for-1 |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 17,168,000 | $ 6.40 |
| 1987 | 14,760,000 | 5.50 |
| 1986 | 12,946,000 | 5.06 |
| 1985 | 8,611,000 | 3.94 |
| 1984 | 7,271,000 | 3.32 |

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

**Income Account***

| Year ended | 6/30/88 | 6/30/87 |
|---|---|---|
| Net sales | $ 63,101,000 | $ 52,216,000 |
| Cost of sales | 36,947,000 | 30,061,000 |
| Expenses | 21,622,000 | 17,520,000 |
| Interest expense | 822,000 | 760,000 |
| Other income | — | (147,000) |
| Income before taxes | $ 3,710,000 | $ 4,022,000 |
| Income taxes | 1,322,000 | 1,885,000 |
| Cum. effect of acct. change | (420,000) | — |
| Net Income | $ 2,808,000 | $ 2,137,000 |

* Included in Costs and Expenses, Depreciation: $637,000 in 1988 and $587,000 in 1988.

**Assets**

| As of | 6/30/88 | 6/30/87 |
|---|---|---|
| Cash | $ 428,000 | $ 102,000 |
| Receiv., net | 352,000 | 230,000 |
| Notes receivable | — | 6,000 |
| *Inventories | 32,101,000 | 24,958,000 |
| Prepaid expenses | 387,000 | 416,000 |
| Current Assets | $ 33,268,000 | $ 25,712,000 |
| #Fixed assets | 8,088,000 | 7,325,000 |
| Other assets | 399,000 | 624,000 |
| Total Assets | $ 41,755,000 | $ 33,661,000 |

**Liabilities**

| | | |
|---|---|---|
| Bank overdrafts | $ 1,018,000 | $ 532,000 |
| Notes payable to bank | 5,000,000 | 2,572,000 |
| Long-term debt, curr. | 740,000 | 748,000 |
| Accts. payable | 8,338,000 | 5,815,000 |
| Accruals | 1,190,000 | 843,000 |
| Income taxes | 21,000 | 13,000 |
| Curr. Liabilities | $ 16,307,000 | $ 10,523,000 |
| Long-term debt | 4,942,000 | 5,684,000 |
| Pattern debt | 2,611,000 | 2,171,000 |
| Deferred inc. taxes | 727,000 | 523,000 |
| +Common stock | 5,085,000 | 5,085,000 |
| Retained earnings | 12,108,000 | 9,675,000 |
| Treasury stock | (25,000) | — |
| Total Liabilites & Shareholders' Equity | $ 41,755,000 | $ 33,661,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.88 | 7.70 |
| %Net Income to Sales | 4.45 | 4.09 |
| %Net Income to Equity | 16.36 | 14.48 |
| Sales to Inventories | 1.97 | 2.09 |
| Debt to Equity | 0.62 | 0.61 |
| Working Capital | $ 16,961,000 | $ 15,189,000 |
| Current Ratio | 2.04 | 2.44 |
| Shareholders' Equity | $ 17,168,000 | $ 14,760,000 |

## Family Dollar Stores, Inc.

P.O. Box 25800
10401 Old Monroe Road
Charlotte, North Carolina 28212
(704) 847-6961

**Officers:** Leon Levine, chairman of the board & treasurer; Ralph D. Dillon, president; John D. Reier, sr. v.p.-merchandising & advertising; Albert S. Rorie, sr. v.p.-data processing; Richard H. Griner, sr. v.p.-operations; George R. Mahoney, Jr., sr. v.p.-general counsel & secretary; Stephen G. Simms, sr. v.p.-real estate & construction; Daylon W. Powell, asst. treasurer; Janice B. Burris, asst. secretary; H. James Graham, v.p.-real estate; Phillip W. Thompson, v.p.-store operations; Robert S. Parker, v.p.-loss prevention; Edgar L. Paxton, v.p.-advertising & sales promotion; C. Martin Sowers, controller.

**Directors:** Leon Levine, Thomas Payne, Ralph D. Dillon, George R. Mahoney, Jr., Mark R. Bernstein.

**Business Activities:** Operates a chain of 1,429 discount variety stores located in 27 states, primarily in the eastern half of the U.S.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
New York, New York 10001

**Stock Exchange(s):** New York

**Ticker Symbol:** FDO

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,429 | 1985 | 920 |
| 1987 | 1,272 | 1984 | 756 |
| 1986 | 1,107 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 669,493,241 | $ 27,333,913 |
| 1987 | 560,339,004 | 24,802,432 |
| 1986 | 487,734,841 | 30,510,527 |
| 1985 | 410,088,400 | 28,006,936 |
| 1984 | 340,919,236 | 23,557,327 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 28,027,302 | $ 0.98 |
| 1987 | 29,001,962 | 0.86 |
| 1986 | 28,911,348 | 1.06 |
| 1985 | 28,711,120 | 0.98 |
| 1984 | 28,601,070 | 0.83 |

‡ Based on the weighted average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.31 | — | — |
| 1987 | 0.27 | — | |
| 1986 | 0.23 | — | — |
| 1985 | 0.18 2/3 | — | — |
| 1984 | 0.11 2/3 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 167,305,094 | $ 5.97 |
| 1987 | 159,571,825 | 5.50 |
| 1986 | 141,293,677 | 4.89 |
| 1985 | 115,678,159 | 4.03 |
| 1984 | 90,999,459 | 3.18 |

‡ Based on the weighted average number of common shares outstanding.

**Income Account ***

| Year ended Aug. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 669,493,241 | $ 560,339,004 |
| Other income | 5,186,550 | 5,141,732 |
| Total income | $ 674,679,791 | $ 565,480,736 |
| Cost of sales | 437,440,312 | 352,866,359 |
| Expenses | 193,060,549 | 165,831,545 |
| Income before taxes | $ 44,178,930 | $ 46,782,832 |
| Income taxes | 16,845,017 | 21,980,400 |
| Net Income | $ 27,333,913 | $ 24,802,432 |

* Included in Costs and Expenses, Depreciation: $10,121,456 in 1988 and $8,491,876 in 1987.

**Assets**

| As of Aug. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 6,984,064 | $ 5,957,753 |
| Short term investments | — | 7,348,955 |
| *Inventories | 178,867,458 | 142,435,568 |
| Prepayments | 5,724,411 | 2,036,381 |
| Current Assets | $ 191,575,933 | $ 158,578,657 |
| #Fixed assets | 97,827,667 | 82,493,099 |
| Other assets | 1,316,623 | 933,781 |
| Total Assets | $ 290,720,223 | $ 242,005,537 |

**Liabilities**

| | | |
|---|---|---|
| Note payable | $ 19,300,000 | $ — |
| Accts. payable | 82,901,289 | 63,806,065 |
| Accruals | 10,103,853 | 9,772,117 |
| Income taxes | 489,861 | 1,123,508 |
| Curr. Liabilities | $ 112,705,003 | $ 74,701,690 |
| Inc. taxes payable | 729,050 | — |
| Deferred inc. taxes | 9,981,076 | 7,732,022 |
| +Common stock | 2,946,521 | 2,945,566 |
| Add. paid-in capital | 6,906,456 | 6,817,592 |
| Retained earnings | 168,801,385 | 150,088,172 |
| Treasury stock | (11,349,268) | (279,505) |
| Total Liabilities & Shareholders' Equity | $ 290,720,223 | $ 242,005,537 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.60 | 8.35 |
| %Net Income to Sales | 4.08 | 4.43 |
| %Net Income to Equity | 16.34 | 15.54 |
| Sales to Inventories | 3.74 | 3.93 |
| Debt to Equity | 0.12 | — |
| Working Capital | $ 78,870,930 | $ 83,876,967 |
| Current Ratio | 1.70 | 2.12 |
| Shareholders' Equity | $ 167,305,094 | $ 159,571,825 |

## Fay's Drug Company, Inc.

7245 Henry Clay Boulevard
Liverpool, New York 13088-3571
(315) 451-8000

**Officers:** Henry A. Panasci, Jr., chairman of the board & chief executive officer; Lawrence J. Rose, president & chief operating officer; Michael J. Falcone, president-Wheels Discount Auto Supply Division; Donald R. Bregande, v.p.-personnel; John A. Kuzmia, v.p.-information systems; Gillian M. McAuliffe, v.p.-consumer affairs; Allan R. Travis, v.p.-advertising & promotion; John A. Kogut, president-Fay's Drug Store Division; Warren D. Wolfson, sr. v.p.-general counsel & secretary; Paul T. Anderson, v.p. & treasurer; David Panasci, president-The Paper Cutter Division; James F. Poole, Jr., v.p.-finance & chief financial officer; Raymond J. Ryan, v.p.-real estate.

**Directors:** Henry A. Panasci, Jr., Hyman Miller, John D. Burke, Tarky Lombardi, Jr., John Saril, Chris Witting, David H. Panasci, Robert H. Altman, John A. Kogut, Lawrence J. Rose, Daniel J. O'Leary, Warren D. Wolfson, Lora S. Flanagan.

**Business Activities:** Operates 147 Fay's Drug Stores and six Bantam Drug Stores in New York and Pennsylvania. The Company also operates 16 discount auto parts and supply stores in New York under the name 'Wheels Discount Auto Supply,' 14 discount office supply stores in New York under the name 'The Paper Cutter,' and a liquor store.

**Divisions:**

Fay's Drug Stores
7245 Henry Clay Boulevard
Liverpool, New York 13088-3571
(315) 451-8000

The Paper Cutter
4577 Buckley Road
Liverpool, New York 13088-2594
(315) 652-7000

Wheels Discount Auto Supply
4577 Buckley Road
Liverpool, New York 13088-2594
(315) 652-7000

**Transfer Agent(s):**

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

## Fay's Drug Company, Inc.

**Stock Exchange(s):** New York

**Ticker Symbol:** FAY

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 183 | 1986 | 154 |
| 1988 | 185 | 1985 | 119 |
| 1987 | 172 | | |

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1989 | $ 526,627,412 | $ 10,011,631 |
| 1988 | 500,414,005 | 5,942,034 |
| 1987 | 452,299,585 | 4,098,014 |
| 1986 | 445,124,947 | 2,786,710 |
| 1985 | 366,697,274 | 8,679,179 |

| | No. of Com. Shares † | Earn. Per Share ‡ |
|---|---|---|
| 1989 | 13,698,160 | $ 0.73 |
| 1988 | 14,007,486 | 0.41 |
| 1987 | 14,590,524 | 0.26 |
| 1986 | 15,424,920 | 0.18 |
| 1985 | 15,301,255 | 0.57 |

† Adjusted to reflect stock dividend.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.20 | 10% | — |
| 1988 | 0.18 | — | |
| 1987 | 0.18 | — | — |
| 1986 | 0.18 | — | — |
| 1985 | 0.17 | — | — |

+ Adjusted to reflect stock dividend.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 58,951,653 | $ 4.30 |
| 1988 | 54,599,032 | 3.90 |
| 1987 | 55,217,514 | 3.78 |
| 1986 | 60,267,692 | 3.91 |
| 1985 | 59,621,088 | 3.90 |

‡ Adjusted to reflect stock dividend.

**Income Account**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 526,627,412 | $ 500,414,005 |
| Cost of sales | 370,696,298 | 361,140,885 |
| Expenses | 123,865,451 | 113,975,542 |
| Depreciation & amortization | 9,792,736 | 8,578,387 |
| Interest expense | 7,072,161 | 6,977,892 |
| Interest income | (1,324,104) | (509,717) |
| Income before taxes | $ 16,524,870 | $ 10,251,016 |
| Income taxes | 6,513,239 | 4,308,982 |
| Net Income | $ 10,011,631 | $ 5,942,034 |

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 13,883,927 | $ 23,764,448 |
| Accts. receiv., net | 10,930,446 | 9,531,271 |
| Inventories * | 76,092,823 | 65,681,607 |
| Prepaid expenses | 3,723,913 | 2,737,695 |
| Current Assets | $ 104,631,109 | $ 101,715,021 |
| #Fixed assets | 57,616,108 | 58,080,272 |
| Intangibles | 3,938,554 | 5,079,831 |
| Investments | — | 909,811 |
| Other assets | 175,298 | 179,647 |
| Total Assets | $ 166,361,069 | $ 165,964,582 |

**Liabilities**

| | | |
|---|---|---|
| Note payable | $ — | $ 2,605,000 |
| Long-term debt, curr. | 2,727,163 | 2,961,948 |
| Accts. payable | 42,013,610 | 37,889,250 |
| Accrued payroll | 4,741,069 | 3,637,148 |
| Other accruals | 8,760,141 | 6,160,432 |
| Income taxes | 2,868,852 | 3,078,756 |
| Curr. Liabilities | $ 61,110,835 | $ 56,332,534 |
| Long-term debt | 39,144,683 | 46,120,289 |
| Oblig. under cap. leases | 3,927,013 | 4,475,595 |
| Deferred taxes | 3,226,885 | 4,437,132 |
| +Common stock | 1,439,460 | 1,424,589 |
| Add. paid-in capital | 40,985,094 | 39,365,880 |
| Retained earnings | 22,164,798 | 25,721,185 |
| Treasury stock | (5,637,699) | (11,912,622) |
| Total Liabilities & Shareholders' Equity | $ 166,361,069 | $ 165,964,582 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.14 | 2.05 |
| %Net Income to Sales | 1.90 | 1.19 |
| %Net Income to Equity | 16.98 | 10.88 |
| Sales to Inventories | 6.92 | 7.62 |
| Debt to Equity | 0.71 | 1.03 |
| Working Capital | $ 43,520,274 | $ 45,382,487 |
| Current Ratio | 1.71 | 1.81 |
| Shareholders' Equity | $ 58,951,653 | $ 54,599,032 |

## Feltex International Limited

(49.87% owned by Equiticorp Industries Limited)

Feltex Centre
145 Symonds Street
Auckland, New Zealand
(09) 778-900

Mailing address:
P.O. Box 4278
Auckland, New Zealand

**Officers:** C. M. Eustace, general mgr.-Australian carpets; R. M. Taiaroa, general mgr.-services; C. P. Glasson, president-Allsteel Inc.; A. St. J. Mitchell, general mgr.-Smith & Brown; B. G. Taylor, general mgr.-Commercial Interiors Group; R. A. Baldwin, general mgr.-Wool Group; B. C. Turley, general mgr.-Carpets Group; J. H. Burridge, general mgr.-Feltex Modular Carpets; C. B. Young, general mgr.-Plastics & Timber Group; L. J. McGillivray, general mgr.-development; J. C. Lindsay, managing director; N. J. Vautier, secretary; R. A. Pearson, general mgr.-finance; B. Wright, general mgr.-international.

**Directors:** P. J. D. Stanes, chairman; L. W. Brown, deputy chairman; J. H. Ingram, I. L. Gunthorp, W. B. Capp, P. J. D. Stanes, J. C. Lindsay.

**Business Activities:** The Company's New Zealand Retail Group operates 49 Smith & Brown stores in New Zealand. These stores sell furniture, home appliances and furnishings at retail.

The Company's New Zealand Wool Group manufactures and markets worsted machine knitting yarns, worsted and woollen spun hand knitting yarns, all wool, cotton, and other mixtures, semi-worsted, wrap spun and woollen spun carpet yarns, woollen mattress underlays, domestic and industrial elastics, tapes and webbings, and buys and scours wool.

The New Zealand Carpets Group manufactures and markets axminster, wilton and tufted carpets, carpet yarns and rugs; moulded automotive carpet, carpet tiles, underlays and synthetic paddings; outdoor carpet and sport surfaces; ruber underlay, rubber floor tiles, moulded and extruded industrial and agricultural componentry.

Vita New Zealand Limited, a subsidiary, manufactures and markets products made from foam, fiber and styrene for both industrial and consumer markets.

The Company's Australia Modular Carpets Group manufactures and markets modular carpet squares using a unique system of computer-controlled dye injection.

Other Company groups manufacture and market commercial and systems furniture in Australia, the U.S.A. and Canada, office and retail furniture, and a range of plastic products.

**Operating Units:**

New Zealand Retail Group

Smith & Brown
Auckland, New Zealand

Wool Group

Feltex Wool Group Limited
Corner of Khyber Pass & Mountain Roads
P.O. Box 4524
Auckland, New Zealand
(09) 795-605

Feltex Wools
Kakariki, New Zealand

New Zealand Wool Spinners Limited
Dannevirke, New Zealand

Feltex Yarns
Wainuiomata, Wellington, New Zealand

Thorobred Yarns
Auckland, New Zealand

Feltex Industrial Textiles
Auckland, New Zealand

Slumberwool
Auckland, New Zealand
Melbourne, Victoria, Australia
San Francisco, California, U.S.A.

Carpets Group

Feltex Furnishings of New Zealand Limited
Corner of Khyber Pass & Mountain Roads
P.O. Box 2884
Auckland, New Zealand
(09) 795-522

Feltex Carpets Pty. Limited
Melbourne, Australia

Feltex Contract Carpets
Auckland, New Zealand

Feltex Woven Carpets
Christchurch, New Zealand

Colortron Carpets
Auckland, New Zealand

Feltex Carpet Sales
Auckland, New Zealand

Stevens Bremner Sales
Auckland, New Zealand

Fibrelok Industries
Lower Hutt & Auckland, New Zealand

Quantum Carpet Systems Limited
Auckland, New Zealand

Modular Carpets Group

Feltex Modular Carpets Pty. Limited
171 Briens Road
Northmead 2152
Sydney, NSW, Australia
(00612)6835600
Sales Offices:
Victoria, Australia
Auckland, New Zealand

Wellington, New Zealand

Associated Company:

Vita New Zealand Limited
Auckland, New Zealand
(09) 885-169

Subsidiaries (U.S.A.):

Allsteel Inc.
Allsteel Drive
Aurora, Illinois 60507
(312) 859-2600
Manufactures and markets commercial and systems furniture throughout the U.S. and Canada.

Super Sky International Inc.
10301 North Enterprise Drive
Mequon, Wisconsin 53092
(414) 242-2000
Designs, fabricates and installs architectural glass roofing systems in North America, Europe and Asia, primarily for commercial applications.

**Sales & Earnings x**

| | Net Sales | Net Income † |
|---|---|---|
| 1987 | $ 661,596,000 | $ 74,737,000 |
| 1986 | 623,176,000 | 47,318,000 |
| 1985 | 574,035,000 | 28,957,000 |
| 1984 | 487,716,000 | 19,843,000 |
| 1983 | 478,591,000 | 18,684,000 |

| | No. of Com. Shares # | Earn. per Share ‡ |
|---|---|---|
| 1987 | 148,471,000 | $ 0.52 |
| 1986 | 129,292,000 | 0.48 |
| 1985 | N.A. | 0.37 |
| 1984 | N.A. | 0.24 |
| 1983 | N.A. | 0.22 |

N.A. - Not Available.
x Figures are stated in New Zealand dollars.
† Before extraordinary items.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 14.0 | — | — |
| 1986 | 14.0 | — | |
| 1985 | 12.5 | — | 6-for-5 |
| 1984 | 12.5 | — | — |
| 1983 | 11.5 | — | — |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 514,901,000 | $ 3.47 |
| 1986 | 353,731,000 | 2.74 |
| 1985 | 213,738,000 | — |
| 1984 | 181,619,000 | — |
| 1983 | 167,884,000 | — |

‡ Adjusted to reflect stock splits.

**Income Account ***
(000's)

| Year ended June 30 | 1987 | 1986 |
|---|---|---|
| Net sales | $ 661,596 | $ 623,176 |
| Cost of sales & expenses | 589,795 | 580,595 |
| Income before taxes | $ 71,801 | $ 42,581 |
| Tax credit | (3,097) | (4,389) |
| Minority interest | 161 | (348) |
| Net Income | $ 74,737 | $ 47,318 |
| Extraord. items | (411) | 2,354 |
| Unreal. increase in value of assoc. co. | — | 7,223 |
| Net Income & extraord. gain | $ 74,326 | $ 56,895 |

* Included in Costs and Expenses, Depreciation and Amortization: $13,078,000 in 1987 and $10,495,000 in 1986.

**Assets**
(000's)

| As of June 30 | 1987 | 1986 |
|---|---|---|
| Cash | 8,941 | 14,838 |
| Accts. receiv., net | 158,926 | 119,011 |
| Refundable taxes | 24,612 | 19,957 |
| *Inventories | 181,117 | 154,520 |
| Current Assets | $ 373,596 | $ 308,326 |
| Investments, advances & term receiv. | 412,162 | 241,161 |
| Future tax benefit | 4,606 | 6,464 |
| #Fixed assets | 162,754 | 145,050 |
| Intangibles | 111,080 | — |
| Total Assets | $ 1,064,198 | $ 701,001 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank overdrafts | $ 39,661 | $ 41,410 |
| Accts. payable | 150,817 | 139,948 |
| Prov. for dividend | 1,938 | 11,756 |
| Curr. Liabilities | $ 192,416 | $ 193,114 |
| Subord. debt | 43,912 | — |
| Term liabilities | 310,901 | 152,499 |
| Minority interest | 2,068 | 1,657 |
| +Specified preference stock | 9,424 | 10,528 |
| ++Cumulative preference stock | 149 | 149 |
| +++Common stock | 74,024 | 64,646 |
| Capital reserves | 333,673 | 212,120 |
| Revenue reserves | 97,631 | 66,288 |
| Total Liabilities & Shareholders' Equity | $ 1,064,198 | $ 701,001 |

* At lower of cost (weighted average or FIFO) or net realizable value.
# Less accumulated depreciation.
+ $1.25 par value; 16% redeemable cumulative.
++ $1.00 par value; 5% cumulative.
+++ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.85 | 6.83 |
| %Net Income to Sales | 11.30 | 7.59 |
| %Net Income to Equity | 14.51 | 13.38 |
| Sales to Inventories | 3.65 | 4.03 |
| Debt to Equity | 0.09 | — |
| Working Capital | $ 181,180,000 | $ 115,212,000 |
| Current Ratio | 1.94 | 1.60 |
| Shareholders' Equity | $ 514,901,000 | $ 353,731,000 |

## Fisher Foods, Inc.

5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7000

Mailing address:
P.O. Box 46555
Cleveland, Ohio 44146

**Officers:** Brian K. Garson, president & chief operating officer; Robert H. Kanner, secretary & treasurer.

**Directors:** Brian K. Garson, S. Lee Kohrman, Robert H. Kanner.

**Business Activities:** The company is a food wholesaler under "Heritage Wholesaler" name, and a retailer operating 42 supermarkets under the "Fazio's," "Carl's" and "Rinilrego Stop-N-Shop" names in Ohio. The company also operates Eagle Ice Cream Company.

**Divisions and Subsidiaries:**

Fazio's
5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7000
Operates 42 food supermarkets in northern Ohio.

Eagle Ice Cream Company
90 Broadway
Bedford Heights, Ohio 44146
Package ice cream and ice cream products.

Heritage Wholesalers
5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7227
Wholesale supplier of groceries, fresh meat & produce, dairy, frozen foods & general merchandise.

**Transfer Agent(s):**

National City Bank
Corporate Trust Department
P.O. Box 92301
Cleveland, Ohio 44101

**Stock Exchange(s):** New York

**Ticker Symbol:** FHR

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 42 | 1984 | 49 |
| 1986 | 62 | 1983 | 50 |
| 1985 | 58 | | |

* Supermarkets only.

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1987 | $ 487,303,000 | $ (27,408,000) |
| 1986* | 589,583,000 | (1,949,000) |
| 1985 | 494,804,000 | 2,279,000 |
| 1984 | 503,477,000 | (5,464,000) |
| 1983 | 506,420,000 | 509,000 |

| | No. of Com. Shares | Earn. per Share ‡ † |
|---|---|---|
| 1987 | 3,536,503 | $ — |
| 1986* | 3,526,528 | — |
| 1985 | 4,186,983 | 0.47 |
| 1984 | 4,988,808 | — |
| 1983 | 4,970,308 | 0.08 |

(Loss)
* 53 weeks
‡ Based on the average number of common shares outstanding.
† Including extraordinary gains of $1,107,000 ($0.24 per share) in 1985 and $201,000 ($0.04 per share) in 1983.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ — | — | — |
| 1986 | 0.05 | — | |
| 1985 | 0.05 | — | — |
| 1984 | 0.05 | — | — |

### Common Stock Equity

| | Total Equity ‡ | Equity Per Share |
|---|---|---|
| 1987 | $ 21,016,000 | $ 5.97 |
| 1986 | 48,202,000 | 13.69 |
| 1985 | 61,516,000 | 14.71 |
| 1984 | 68,657,000 | 13.78 |
| 1983 | 74,092,000 | 14.93 |

‡ After allowing for preferred stock at redemption value of $105 per share.

### Income Account * (000's)

| Year ended | 1/2/88 | 1/3/87 |
|---|---|---|
| Net sales | $ 487,303 | 589,583 |
| Cost of sales | 387,674 | 470,874 |
| Expenses | 107,578 | 118,675 |
| Interest expenses | 4,160 | 3,850 |
| Other income | (1,292) | (1,867) |
| Special charges | 16,591 | — |
| Net Loss | $ (27,408) | $ (1,949) |

* Included in Cost and Expenses, Depreciation and Amortization: $8,525,000 in 1987 and $8,351,000 in 1986.

### Assets (000's)

| As of | 1/2/88 | 1/3/87 |
|---|---|---|
| Cash | $ 3,497 | $ 14,171 |
| Accts. receiv., net | 3,605 | 5,829 |
| *Inventories | 26,081 | 38,806 |
| Prepaid expenses | 3,871 | 4,943 |
| Deferred income taxes | — | 3,062 |
| Current Assets | $ 37,054 | $ 66,811 |
| Investment & other assets | 3,502 | 2,361 |
| #Fixed assets | 64,522 | 76,657 |
| Total Assets | $ 105,078 | $ 145,829 |

### Liabilities (000's)

| | | |
|---|---|---|
| Notes payable | $ — | $ 8,000 |
| Long-term debt, curr. | 2,110 | 1,013 |
| Oblig. under capital leases, curr. | 1,011 | 1,022 |
| Accts payable | 15,911 | 20,484 |
| Accruals | 9,001 | 10,626 |
| Income taxes | 3,191 | 3,801 |
| Clos. facil. reserve | 3,069 | 751 |
| Litig. settle. res., curr. | 965 | 1,445 |
| Curr. Liabilities | $ 35,258 | $ 47,142 |
| Litig. settle. reserve | 2,449 | 3,181 |
| Long-term debt | 22,040 | 24,088 |
| Oblig. under capital leases | 14,506 | 15,598 |
| Other liabilities | 7,222 | 1,955 |
| Deferred inc. taxes | 686 | 3,762 |
| +Preferred stock | 1,811 | 1,811 |
| ++Common stock | 3,537 | 3,527 |
| Add. paid-in capital | 818 | 764 |
| Retained earnings | 16,963 | 44,462 |
| Treasury stock | (212) | (461) |
| Total Liabilities & Shareholders' Equity | $ 105,078 | $ 145,829 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value, $5 cumulative.
++ No par value.

### Statistical Summary

| | | |
|---|---|---|
| Sales to Inventories | 18.68 | 15.19 |
| Debt to Equity | 1.73 | 0.99 |
| Working Capital | $ 1,796,000 | $ 19,669,000 |
| Current Ratio | 1.05 | 1.42 |
| Shareholders' Equity | $ 22,917,000 | $ 50,103,000 |

## Food Lion Stores, Inc.

2110 Executive Drive
P.O. Box 1330
Salisbury, North Carolina 28145-1330
(704) 633-8250

**Officers:** Ralph W. Ketner, chairman of the board; Tom E. Smith, president & chief executive officer; Jerry W. Helms, senior v.p. & chief operating officer; Allyn D. Adams, v.p.-meat operations; A. Edward Benner, Jr., v.p.-management information systems; James H. Goodwin, Jr., v.p.-distribution centers; Kenneth Harris, v.p.-perishable operations; Robert R. McAuliffe, Jr., v.p.-real estate; Spencer D. Storie, v.p.-store planning & development; Vincent G. Watkins, v.p.-special projects & development; Eugene R. McKinley, v.p.-human resources & asst. secretary; Thomas R. Crabtree, v.p.-advertising; George S. Seger, v.p.-loss prevention; Brian P. Woolf, v.p.-finance, secretary & chief financial officer; Charles C. Buckley, v.p.-grocery operations; Joe Hall, v.p.-purchasing; John P. Watkins, v.p.-merchandising.

**Directors:** Ralph W. Ketner, chairman; Tom E. Smith, Guy Beckers, Jacques LeClercq, Gui de Vaucleroy, David E. Johnston, Brian P. Woolf, Jerry W. Helms, Charles de Cooman d'Herlickhove, Raymond-Max Boon.

**Business Activities:** Operates a chain of 567 supermarkets in South Carolina, Georgia, Virginia, Maryland, Tennessee, Delaware, Florida, and North Carolina under the name "Food Lion."

**Transfer Agent(s):**

Wachovia Bank and Trust Company, N.A.
Corporate Trust Dept.
P.O. Box 3001
Winston-Salem, North Carolina 27102

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** FDLNA, FDLNB (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 567 | 1985 | 317 |
| 1987 | 475 | 1984 | 251 |
| 1986 | 388 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 3,815,426,000 | $ 112,541,000 |
| 1987 | 2,953,807,000 | 85,802,000 |
| 1986* | 2,406,582,000 | 61,823,000 |
| 1985 | 1,865,632,000 | 47,585,000 |
| 1984 | 1,469,564,000 | 37,305,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 321,829,000 | $ 0.35 |
| 1987 | 321,435,000 | 0.27 |
| 1986* | 320,234,000 | 0.19 |
| 1985 | 318,771,000 | 0.15 |
| 1984 | 315,462,000 | 0.12 |

* 53 weeks.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock recapitalization.

### Common Stock

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.066 | — | — |
| 1987 | 0.038 | — | |
| 1986 | 0.018 | — | 3-for-1 |
| 1985 | 0.014 | — | — |
| 1984 | 0.010 | — | — |

† Adjusted to reflect stock splits and stock recapitalization.

### Common Stock Equity

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 430,786,000 | $ 1.34 |
| 1987 | 339,224,000 | 1.06 |
| 1986 | 264,864,000 | 0.83 |
| 1985 | 207,379,000 | 0.65 |
| 1984 | 163,420,000 | 0.52 |

# Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock recapitalization.

### Income Account

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 3,815,426,000 | $ 2,953,807,000 |
| Cost of sales | 3,062,451,000 | 2,356,024,000 |
| Expenses | 499,487,000 | 395,888,000 |
| Depreciation & amortization | 49,904,000 | 37,433,000 |
| Interest expense | 21,343,000 | 13,760,000 |
| Income before taxes | $ 182,241,000 | $ 150,702,000 |
| Income taxes | 69,700,000 | 64,900,000 |
| Net Income | $ 112,541,000 | $ 85,802,000 |

### Assets

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 22,054,000 | $ 15,534,000 |
| Receiv., net | 51,233,000 | 39,797,000 |
| *Inventories | 523,081,000 | 385,276,000 |
| Prepaid expenses | 4,091,000 | 3,311,000 |
| Current Assets | $ 600,459,000 | $ 443,918,000 |
| #Fixed assets | 488,253,000 | 361,895,000 |
| Total Assets | $ 1,088,712,000 | $ 805,813,000 |

### Liabilities

| | | |
|---|---|---|
| Notes payable | $ 153,921,000 | $ 92,741,000 |
| Long-term debt, curr. | 11,792,000 | 1,466,000 |
| Accts. payable | 205,692,000 | 144,271,000 |
| Accruals | 79,787,000 | 60,735,000 |
| Income taxes | 9,517,000 | 14,735,000 |
| Cap. lease oblig., curr. | 2,030,000 | 1,879,000 |
| Curr. Liabilities | $ 462,739,000 | $ 315,827,000 |
| Long-term debt | 110,262,000 | 69,301,000 |
| Oblig. under cap. lease | 50,155,000 | 51,695,000 |
| Deferred income taxes | 33,133,000 | 28,333,000 |
| Deferred compensation | 1,637,000 | 1,433,000 |
| +Class A common stock | 81,091,000 | 81,023,000 |
| +Class B common stock | 79,857,000 | 79,829,000 |
| Add. paid-in capital | 396,000 | 96,000 |
| Retained earnings | 269,442,000 | 178,276,000 |
| Total Liabilities & Shareholders' Equity | $ 1,088,712,000 | $ 805,813,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.78 | 5.10 |
| %Net Income to Sales | 2.95 | 2.90 |
| %Net Income to Equity | 26.12 | 25.29 |
| Sales to Inventories | 7.29 | 7.67 |
| Debt to Equity | 0.76 | 0.64 |
| Working Capital | $ 137,720,000 | $ 128,091,000 |
| Current Ratio | 1.30 | 1.41 |
| Shareholders' Equity | $ 430,786,000 | $ 339,224,000 |

## Foodarama Supermarkets, Inc.

303 West Main Street
P.O. Box 592
Freehold, New Jersey 07728
(201) 462-4700

**Officers:** Joseph J. Saker, chairman of the board & president; Sidney Cohen, sr. v.p.-administration & corp. planning, asst. secretary & asst. treasurer; Richard J. Saker, sr. v.p.-operations & secretary; John J. McAteer, sr. v.p.-human resources; Joseph C. Troilo, sr. v.p.-finance & treasurer; Mary Saker, secretary & treasurer.

**Directors:** Joseph J. Saker*, chairman; Arthur M. Borden, Sidney Cohen*, John W. Hurley, Richard J. Saker*.

* Member of the Executive Committee

**Business Activities:** Operates 21 Foodarama Supermarkets, under the Shop-Rite name, in New York, New Jersey, and Pennsylvania. Also operates two liquor stores, two garden centers, and 14 in-store pharmacies, all under the Shop-Rite name.

**Transfer Agent(s):**

American Stock Transfer Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** American

**Ticker Symbol:** FSM

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 25 | 1985 | 27 |
| 1987 | 28 | 1984 | 30 |
| 1986 | 28 | | |

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1988 | $ 496,188,000 | $ 3,504,000 |
| 1987 | 482,088,000 | 4,217,000 |
| 1986 | 471,886,000 | 1,681,000 |
| 1985 | 441,046,000 | 2,944,000 |
| 1984* | 450,748,000 | 210,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 1,159,061 | $ 3.02 |
| 1987 | 1,294,411 | 3.26 |
| 1986 | 1,341,489 | 1.25 |
| 1985 | 1,341,137 | 2.20 |
| 1984* | 1,341,074 | 0.16 |

* 53 weeks.
‡ Of continuing operations only.
# Based on the weighted average number of common shares outstanding during each year.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1988 | $ 30,436,000 | $ 26.26 |
| 1987 | 28,328,000 | 21.88 |
| 1986 | 26,916,000 | 20.06 |
| 1985 | 25,232,000 | 18.81 |
| 1984 | 22,288,000 | 16.62 |

+ Based on the weighted average number of common shares outstanding during each year.

**Income Account***

| Year ended | 10/29/88 | 10/31/87 |
|---|---|---|
| Net sales | $ 496,188,000 | $ 482,088,000 |
| Cost of sales | 379,213,000 | 366,618,000 |
| Expenses | 109,042,000 | 106,850,000 |
| Oper. profit | $ 7,933,000 | $ 8,620,000 |
| Interest expense | 3,096,000 | 2,699,000 |
| Interest income | (819,000) | (905,000) |
| Income before taxes | $ 5,656,000 | $ 6,826,000 |
| Income taxes | 2,152,000 | 3,109,000 |
| Change in accntg. meth. | — | (500,000) |
| Net Income | $ 3,504,000 | $ 4,217,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $6,956,000 in 1988 and $6,376,000 in 1987.

**Assets**

| As of | 12/29/88 | 10/31/87 |
|---|---|---|
| Cash & cash equiv. | $ 5,008,000 | $ 9,564,000 |
| Demand notes receiv. | 1,000,000 | 4,000,000 |
| Receiv., net | 3,937,000 | 3,015,000 |
| *Inventories | 22,546,000 | 21,244,000 |
| Current Assets | $ 32,491,000 | $ 37,823,000 |
| Investments | 7,796,000 | 4,699,000 |
| #Fixed assets | 49,869,000 | 48,116,000 |
| Intangibles | 2,153,000 | 2,153,000 |
| Other assets | 1,578,000 | 1,277,000 |
| Total Assets | $ 93,887,000 | $ 94,068,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 3,000,000 | $ — |
| Long-term debt, curr. | 2,283,000 | 2,290,000 |
| Cap. lease oblig., curr. | 2,981,000 | 2,826,000 |
| Accts. payable | 16,884,000 | 20,944,000 |
| Accruals | 6,578,000 | 8,225,000 |
| Income taxes | 636,000 | 636,000 |
| Curr. Liabilities | $ 32,362,000 | $ 34,921,000 |
| Long-term debt | 10,386,000 | 9,553,000 |
| Cap. lease oblig. | 15,714,000 | 16,977,000 |
| Deferred inc. taxes | 4,989,000 | 4,289,000 |
| +Common stock | 1,622,000 | 1,622,000 |
| Add. paid-in capital | 2,351,000 | 2,351,000 |
| Retained earnings | 32,439,000 | 28,935,000 |
| Treasury stock | (5,976,000) | (4,580,000) |
| Total Liabilities & Shareholders' Equity | $ 93,887,000 | $ 94,068,000 |

* At lower of cost (FIFO) or market.
# Accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.14 | 1.42 |
| %Net Income to Sales | 0.71 | 0.87 |
| %Net Income to Equity | 11.51 | 14.89 |
| Sales to Inventories | 22.01 | 22.69 |
| Debt to Equity | 1.13 | 1.12 |
| Working Capital | $ 129,000 | $ 2,902,000 |
| Current Ratio | 1.00 | 1.08 |
| Shareholders' Equity | $ 30,436,000 | $ 28,328,000 |

## Fred Meyer, Inc.

3800 S.E. 22nd Avenue
Portland, Oregon 97202
(503) 232-8844

**Officers:** Frederick M. Stevens, chairman of the board & chief exec. officer; Oran B. Robertson, chairman-exec. committee; Jerome Kohlberg, Jr., vice chairman; Cyril K. Green, president & chief operating officer; C. Dale Warman, exec. v.p.-strategic store planning & engineering; Kenneth Thrasher, sr. v.p., chief financial officer & secretary; Gary L. Baker, sr. v.p.-personnel; Gordon W. Deeds, sr. v.p. & division mgr.-Hardlines Divisions; Larry R. Ofstedahl, sr. v.p. & division mgr.-Food Division; Mary F. Sammons, sr. v.p. & division mgr.-Soft Goods Division; Edward A. Dayoob, v.p. & division mgr.-Jewelry Division; Julie A. Lamb, v.p. & division mgr.-Nutrition Centers Division; Marilyn G. Brown, v.p. & division mgr.-Restaurant Division; Michael H. Don, v.p. & treasurer; Thomas R. Hughes, v.p. & controller.

**Directors:** Frederick M. Stevens, chairman; Saul A. Fox, Jerome Kohlberg, Jr., Roger S. Meier, Michael W. Michelson, Paul E. Raether, Oran B. Robertson.

**Areas of Work:** Operates 93 multi-department stores and 19 specialty stores in seven western states under the name Fred Meyer. The Company's multi-department stores contain up to 11 departments, including general and consumer electronics, fine jewelry, nutrition, and either a restaurant or snack bar.

**Transfer Agent(s):**

U.S. National Bank of Oregon
309 S.W. 6th Avenue, 5th Floor
Portland, Oregon 97204

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MEYR (NASDAQ)

**Number of Stores:** (at fiscal year-end)

| | | | |
|---|---|---|---|
| 1989 | 112 | 1986 | 93 |
| 1988 | 99 | 1985 | 90 |
| 1987 | 93 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income † (000's) |
|---|---|---|
| 1988 | $ 2,073,544 | $ 36,661 |
| 1987 | 1,847,843 | 32,036 |
| 1986 | 1,688,208 | 22,535 |
| 1985 | 1,583,796 | 19,467 |
| 1984 | 1,449,108 | 15,589 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 24,470,000 | $ 1.50 |
| 1987 | 24,403,000 | 1.31 |
| 1986 | 20,870,000 | 1.08 |
| 1985 | 18,355,000 | 1.06 |
| 1984 | 17,790,000 | 0.88 |

† Including extraordinary loss of $1,530,000 ($0.07 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 258,188,000 | $ 10.55 |
| 1987 | 221,056,000 | 9.06 |
| 1986 | 186,692,000 | 8.95 |
| 1985 | 98,395,000 | 5.36 |
| 1984 | 78,584,000 | 4.42 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account*** (000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 2,073,544 | $ 1,847,843 |
| Cost of sales | 1,463,129 | 1,300,686 |
| Expenses | 544,225 | 485,822 |
| Oper. profit | $ 66,190 | $ 61,335 |
| Interest expense | 9,291 | 7,449 |
| Income before taxes | $ 56,899 | $ 53,886 |
| Income taxes | 20,238 | 21,850 |
| Net Income | $ 36,661 | $ 32,036 |

* Included in Costs and Expenses, Depreciation and Amortization: $33,694,000 in 1988 and $29,993,000 in 1987.

## Fred Meyer, Inc.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 18,958 | $ 21,329 |
| Accts. receiv. net | 13,419 | 12,843 |
| *Inventories | 348,962 | 322,255 |
| Prepaid expenses | 26,490 | 17,410 |
| Current Assets | $ 407,829 | $ 373,837 |
| #Fixed assets | 271,199 | 244,469 |
| Other assets | 716 | 846 |
| Intangibles | 7,062 | 7,370 |
| Total Assets | $ 686,806 | $ 626,522 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Outstanding checks | $ 51,363 | $ 48,193 |
| Long-term debt & cap. lease oblig. curr. | 418 | 505 |
| Accts. payable | 149,527 | 141,784 |
| Accrued compensation | 22,941 | 21,005 |
| Accrued insurance | 18,254 | 16,596 |
| Accrued interest | 993 | 512 |
| Income taxes | 14,998 | 19,727 |
| Curr. Liabilities | $ 258,494 | $ 248,322 |
| Long-term debt | 92,180 | 87,730 |
| Cap. lease oblig. | 23,790 | 23,923 |
| Deferred lease transac. | 26,984 | 22,981 |
| Deferred inc. taxes | 27,170 | 22,510 |
| +Common stock | 226 | 226 |
| Add. paid-in capital | 123,666 | 123,309 |
| Retained earnings | 137,258 | 100,597 |
| Treasury stock | (2,962) | (2,943) |
| Notes receiv. from stockholders | — | (133) |
| Total Liabilities & Shareholders' Equity | $ 686,806 | $ 626,522 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.74 | 2.92 |
| %Net Income to Sales | 1.77 | 1.73 |
| %Net Income to Equity | 14.20 | 14.49 |
| Sales to Inventories | 5.94 | 5.73 |
| Debt to Equity | 0.45 | 0.51 |
| Working Capital | $ 149,335,000 | $ 125,515,000 |
| Current Ratio | 1.58 | 1.51 |
| Shareholders' Equity | $ 258,188,000 | $ 221,056,000 |

## Frederick's of Hollywood, Inc.

6608 Hollywood Boulevard
Los Angeles, California 90028
(213) 466-5151

**Officers:** Goerge W. Townson, chairman, president & chief executive officer; John B. Hatfield, sr. v.p.-finance & administration & secretary; Marshall F. Coil, v.p.-systems, procedures & internal audit; Ronald G. Pearson, asst. treasurer & controller; James P. Glenny, v.p.-personnel; Nitin Parikh, v.p.-planning and analysis; William E. Kavan, v.p.-management information systems.

**Directors:** George W. Townson, Morton R. Field, Harriett Mellinger, Hugh Hunter, William J. Barrett, Richard O. Starbird, Sylvan Lefcoe.

**Business Activities:** Engaged in the retail sale of women's apparel under the names Frederick's of Hollywood and Private Moments through 141 stores in 33 states and through mail order.

**Subsidiaries:**

Frederick's of Hollywood Retail Stores
Private Moments Retail Stores

**Transfer Agent(s):**

U.S. Stock Transfer Corp.
1745 Gardena Avenue
Glendale, California 91204

Security Pacific National Trust Company of New York
2 Rector Street
New York, New York 10006

**Stock Exchange(s):** American

**Ticker Symbol:** FHO

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 141 | 1985 | 141 |
| 1987 | 148 | 1984 | 147 |
| 1986 | 136 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988* | $ 65,025,000 | $ 1,720,000 |
| 1987 | 57,989,000 | 1,006,000 |
| 1986 | 48,929,000 | (518,000) |
| 1985 | 45,464,000 | (148,000) |
| 1984 | 45,291,000 | 627,000 |

| | No. of Com. Shares + | Earn. per Share + |
|---|---|---|
| 1988* | 1,656,000 | $ 1.04 |
| 1987 | 1,656,000 | 0.61 |
| 1986 | 1,656,000 | — |
| 1985 | 1,656,000 | — |
| 1984 | 1,656,000 | 0.38 |

(Loss)
* 53 weeks.
+ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.05 | — | — |
| 1987 | — | — | |
| 1986 | — | — | — |
| 1985 | — | — | — |
| 1984 | 0.30 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 15,000,000 | $ 9.06 |
| 1987 | 13,363,000 | 8.07 |
| 1986 | 12,357,000 | 7.46 |
| 1985 | 12,875,000 | 7.77 |
| 1984 | 13,023,000 | 7.86 |

**Income Account ***

| Year ended | 9/3/88 (53 weeks) | 8/29/87 |
|---|---|---|
| Net sales | $ 65,025,000 | $ 57,989,000 |
| Cost of sales | 36,007,000 | 32,760,000 |
| Expenses | 26,189,000 | 23,303,000 |
| Interest income | (155,000) | (85,000) |
| Other expense | 48,000 | 41,000 |
| Income before taxes | $ 2,936,000 | $ 1,970,000 |
| Income taxes | 1,216,000 | 964,000 |
| Net Income | $ 1,720,000 | $ 1,006,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,763,000 in 1988 and $1,437,000 in 1987.

**Assets**

| As of | 9/3/88 | 8/29/87 |
|---|---|---|
| Cash | $ 4,501,000 | $ 3,005,000 |
| Accts. receiv., net | 500,000 | 483,000 |
| *Inventories | 7,505,000 | 6,427,000 |
| Prepaid expenses | 1,193,000 | 714,000 |
| Current Assets | $ 13,699,000 | $ 10,629,000 |
| #Fixed assets | 9,234,000 | 8,817,000 |
| Notes receivable | — | 1,937,000 |
| Other assets | 57,000 | 57,000 |
| Total Assets | $ 22,990,000 | $ 21,440,000 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 4,932,000 | $ 3,519,000 |
| Long-term debt, curr. | — | 73,000 |
| Capital lease oblig., curr. | 115,000 | 95,000 |
| Accrued payroll | 332,000 | 426,000 |
| Income taxes payable | 251,000 | 592,000 |
| Other accruals | 1,444,000 | 965,000 |
| Curr. Liabilities | $ 7,074,000 | $ 5,670,000 |
| Long-term debt | — | 1,387,000 |
| Capital lease oblig. | 240,000 | 311,000 |
| Deferred inc. taxes | 676,000 | 709,000 |
| +Common stock | 1,656,000 | 1,656,000 |
| Add. paid-in capital | 2,019,000 | 2,019,000 |
| Retained earnings | 11,325,000 | 9,688,000 |
| Total Liabilities & Shareholders' Equity | $ 22,990,000 | $ 21,440,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.52 | 3.40 |
| %Net Income to Sales | 2.65 | 1.73 |
| %Net Income to Equity | 11.47 | 7.53 |
| Sales to Inventories | 8.66 | 9.02 |
| Debt to Equity | 0.02 | 0.14 |
| Working Capital | $ 6,625,000 | $ 4,959,000 |
| Current Ratio | 1.94 | 1.87 |
| Shareholders' Equity | $ 15,000,000 | $ 13,363,000 |

## Gantos, Inc.

3260 Patterson S.E.
Grand Rapids, Michigan 49508
(616) 949-7000

**Officers:** L. Douglas Gantos, president; Daniel G. Gantos, exec. v.p.-customer service; William E. Craig, exec. v.p.-corp. services; Richard L. Beal, exec. v.p.-finance & corp. development; Mark S. Bowman, exec. v.p.-real estate & marketing; Anthony J. Buccina, exec. v.p. & general merchandise mgr.; Bruce R. Matza, sr. v.p.-human resources; Charles R. Rinehimer, sr. v.p.-store operations; Donald O. Schilstra, v.p.-management information services.

**Directors:** L. Douglas Gantos, Daniel G. Gantos, Alan Stuart Schwartz, Robert J. Higgins, Sidney R. Unobskey.

**Areas of Work:** Operates 108 women's apparel specialty stores under the name "Gantos" in 22 states and the District of Columbia.

**Subsidiaries:**

Gantos Stores, Inc.
Gantos Finance, Inc.

**Transfer Agent(s):**

National Bank of Detroit
611 Woodward
Detroit, Michigan 48226

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** GTOS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 84 | 1984 | 42 |
| 1986 | 65 | 1983 | 39 |
| 1985 | 50 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 170,247,000 | $ 4,214,000 |
| 1987 | 133,046,000 | 6,212,000 |
| 1986 | 98,359,000 | 4,508,000 |
| 1985 | 75,049,000 | 3,096,000 |
| 1984* | 61,975,000 | 884,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 4,306,820 | $ 0.97 |
| 1987 | 5,264,000 | 1.18 |
| 1986 | 5,029,000 | 0.90 |
| 1985 | 4,464,000 | 0.69 |
| 1984* | 4,464,000 | 0.20 |

* 53 weeks.
† Including extraordinary loss of $121,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 25,282,000 | $ 5.87 |
| 1987 | 31,642,000 | 6.01 |
| 1986 | 25,425,000 | 4.83 |
| 1985 | 10,495,000 | 2.35 |
| 1984 | 7,399,000 | 1.66 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 170,246,910 | $ 133,045,884 |
| Other income | 3,476,803 | 3,073,281 |
| Total income | $ 173,723,713 | $ 136,119,165 |
| Cost of sales | 123,050,513 | 93,693,193 |
| Expenses | 41,888,142 | 33,416,071 |
| Interest expense | 2,142,102 | 480,601 |
| Income before taxes | $ 6,642,956 | $ 8,529,300 |
| Income taxes | 2,429,000 | 3,541,000 |
| Cum. effect of change in accntg. meth. | — | (1,224,069) |
| Net Income | $ 4,213,956 | $ 6,212,369 |

* Included in Costs and Expenses, Depreciation and Amortization: $4,227,495 in 1988 and $2,915,030 in 1987.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 1,429,071 | $ 1,168,267 |
| Accts. receiv., net | 24,073,900 | 19,602,147 |
| *Inventories | 26,215,329 | 21,859,890 |
| Prepaid expenses | 2,645,879 | 1,393,842 |
| Current Assets | $ 54,364,179 | $ 44,024,146 |
| #Fixed assets | 32,282,494 | 24,239,872 |
| Total Assets | $ 86,646,673 | $ 68,264,018 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 21,665,611 | $ 14,493,279 |
| Accruals | 8,095,272 | 5,500,711 |
| Income taxes | 1,184,710 | 1,169,050 |
| Deferred income taxes | 2,286,000 | 2,309,000 |
| Curr. Liabilities | $ 33,231,593 | $ 23,472,040 |
| Long-term liabilities | 24,509,793 | 9,687,247 |
| Deferred inc. taxes | 3,623,000 | 3,463,000 |
| +Common stock | 52,646 | 52,642 |
| Add. paid-in capital | 10,499,906 | 10,495,310 |
| Retained earnings | 25,307,735 | 21,093,779 |
| Treasury stock | (10,578,000) | — |
| Total Liabilities & Shareholders' Equity | $ 86,646,673 | $ 68,264,018 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.90 | 6.41 |
| %Net Income to Sales | 2.48 | 4.67 |
| %Net income to Equity | 16.67 | 19.63 |
| Sales to Inventories | 6.49 | 6.09 |
| Debt to Equity | 0.97 | 0.31 |
| Working Capital | $ 21,132,586 | $ 20,552,106 |
| Current Ratio | 1.64 | 1.88 |
| Shareholders' Equity | $ 25,282,287 | $ 31,641,731 |

## The Gap, Inc.

P.O. Box 60
900 Cherry Avenue
San Bruno, California 94066
(415) 952-4400

**Officers:** Donald G. Fisher, chairman & chief exec. officer; Millard S. Drexler, president; James V. O'Donnell, exec. v.p.-operations/finance & chief financial officer; Jane P. Metzroth, sr. v.p.-human resources; George A. Joseph, sr. v.p.-distribution; J. Patrick Spainhour, sr. v.p.-manufacturing; Dexter C. Tight, sr. v.p. & secretary; Steven B. Kaplan, sr. v.p.-real estate; James A. Carolan, sr. v.p.-management information systems; J. Neal Vantosky, sr. v.p.-product development; David R. Jackson, v.p. & asst. general counsel; Warren R. Hashagen, v.p. & treasurer; David W. Burling, v.p. & asst. general counsel; David M. DeMattei, v.p.-finance; James A. Gargiulo, v.p.-human resources; Richard S. McKinley, v.p.-taxes/risk management; Daniel E. Walker, v.p.-human resources; Jerome W. DeChant, president-The Gap/Gapkids.

**Directors:** Donald G. Fisher, chairman; John G. Bowes, Alfred H. Daniels, Doris F. Fisher, Brooks Walker, Jr., Henry W. Pattison, Millard S. Drexler, Charles R. Schwab, James V. O'Donnell.

**Business Activities:** The Company is a specialty retailer whose major division is the Gap Stores, a chain of 709 stores located nationwide, as well as in the United Kingdom (9), and West Germany (1), selling moderately priced jeans-related casual and activewear clothing for men and women. Also operates 74 GapKids stores for children, 108 Banana Republic stores, which sell travel and safari casual wear, and nine Hemisphere stores, which offer upscale sportswear for men and women.

**Subsidiaries:**

Banana Republic, Inc.
San Francisco, California
Retailer of travel and safari casual wear.

**Transfer Agent(s):**

Bankers Trust Company of California, N.A.
San Francisco, California

Morgan Shareholder Services Trust Company
New York, New York

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** GPS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 900 | 1985 | 648 |
| 1987 | 815 | 1984 | 594 |
| 1986 | 724 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 1,252,097,000 | $ 74,231,000 |
| 1988 | 1,062,021,000 | 69,595,000 |
| 1987 | 848,009,000 | 68,099,000 |
| 1986 | 647,333,000 | 27,707,000 |
| 1985* | 518,229,000 | 12,230,000 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1989 | 36,147,280 | $ 2.05 |
| 1988 | 35,729,513 | 1.95 |
| 1987 | 35,298,760 | 1.93 |
| 1986 | 34,178,834 | 0.81 |
| 1985* | 33,783,368 | 0.36 |

* 53 weeks.
† Based on the average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.525 | — | — |
| 1988 | 0.50 | — | |
| 1987 | 0.31 | — | 2-for-1 |
| 1986 | 0.139 | — | 2-for-1 |
| 1985 | 0.125 | — | — |

† Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1989 | $ 276,399,000 | $ 7.87 |
| 1988 | 272,912,000 | 7.61 |
| 1987 | 211,953,000 | 5.96 |
| 1986 | 151,643,000 | 4.32 |
| 1985 | 126,116,000 | 3.74 |

† Adjusted to reflect stock split.

**Income Account * (000's)**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,252,097 | $ 1,062,021 |
| Cost of sales | 845,436 | 679,230 |
| Expenses | 277,429 | 254,209 |
| Interest expense | 3,416 | 3,860 |
| Income before taxes | $ 125,816 | $ 124,722 |
| Income taxes | 51,585 | 55,127 |
| Net income | $ 74,231 | $ 69,595 |

* Included in Cost and Expenses, Depreciation and Amortization: $30,030,000 in 1989 and $23,803,000 in 1988.

**Assets (000's)**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & market. secur. | $ 46,365 | $ 32,057 |
| Accts. receiv., net | 5,902 | 8,901 |
| *Inventories | 193,268 | 194,886 |
| Prepaid expenses | 12,578 | 14,485 |
| Prop. held for resale | — | 8,250 |
| Current Assets | $ 258,113 | $ 258,579 |
| #Fixed assets | 191,257 | 156,639 |
| Lease rights | 13,797 | 10,891 |
| Other assets | 17,981 | 8,122 |
| Total Assets | $ 481,148 | $ 434,231 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Commercial paper | $ — | $ 5,000 |
| Long-term debt, curr. | 2,000 | 1,500 |
| Accounts payable | 81,289 | 68,404 |
| Accruals | 53,182 | 46,646 |
| Income taxes | 14,730 | 6,158 |
| Other curr. liab. | 702 | 883 |
| Curr. Liabilities | $ 151,903 | $ 128,591 |
| Long-term debt | 20,000 | 12,000 |
| Other liabilities | 19,331 | 10,927 |
| Deferred credits | 13,515 | 9,801 |
| +Common stock | 1,857 | 1,793 |
| Add. paid-in capital | 57,230 | 50,637 |
| Retained earnings | 276,469 | 220,482 |
| For. curr. trans. adjust. | 771 | — |
| Treasury stock | (59,928) | — |
| Total Liabilities & Shareholders' Equity | $ 481,148 | $ 434,231 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.05 | 11.74 |
| %Net Income to Sales | 5.93 | 6.55 |
| %Net Income to Equity | 26.86 | 25.50 |
| Sales to Inventories | 6.48 | 5.45 |
| Debt to Equity | 0.08 | 0.05 |
| Working Capital | $ 106,210,000 | $ 129,988,000 |
| Current Ratio | 1.70 | 2.01 |
| Shareholders' Equity | $ 276,399,000 | $ 272,912,000 |

## Gendis Inc.

1370 Sony Place
Winnipeg, Manitoba R3T 1N5, Canada
(204) 474-5200

**Officers:** Albert D. Cohen, chairman, president & chief exec. officer; G. Allan Mackenzie, exec. v.p. & chief operating officer; Harry B. Cohen, v.p.; Joseph H. Cohen, v.p.; H. Murry Heselton, v.p.; John C. Cohen, v.p.; Morley M. Cohen, v.p.; Patrick J. Matthews, v.p.-finance; William Pounder, comptroller; N. Paul Cloutier, v.p., secretary & general counsel; Edson Boyd, treasurer; Richard H. Brusegard, asst. secretary.

**Directors:** Albert D. Cohen°, chairman; Harry B. Cohen, John C. Cohen, Joseph H. Cohen, Morley M. Cohen°, G. R. Hunter, Charles F. Cohen, Edson Boyd°, S. Ronald Basford, E. C. Lumley, G. A. Mackenzie°, Fred H. McNeil.

° Member of the Executive Committee

**Business Activities:** The Company, through wholly-owned subsidiaries, participates in the Canadian merchandising and distribution industry. The Company owns 51% of Sony of Canada, Ltd., a joint venture that distributes all Sony products under the name of The Sony Store through 48 retail outlets across Canada. The Company also operates 439 junior department and family clothing stores across Canada. The Company is also involved in oil and gas exploration and development, and in real estate management.

**Divisions and Subsidiaries:**

Metropolitan Stores of Canada Limited (100% owned)
Property holding company.

Metropolitan Stores (M.T.S.) Ltd.
Operates 90 junior department stores throughout Canada.

Saan Stores Ltd.
1370 Sony Place, Fort Garry
Winnipeg, Manitoba R3C 3C3 Canada
Operates 227 family clothing stores in Canada.

Saan for Kids
Operates 20 children's retail clothing stores in Canada.

Greenberg Stores Limited
Montreal, Quebec
Operates 102 family clothing stores in Canada.

Sony of Canada Ltd. (51% owned)
Distributes Sony products in Canada through 48 "The Sony Store" retail outlets.

**Transfer Agent(s):**

Royal Trust
330 St. Mary Avenue
Winnipeg, Manitoba R3C 3Z3, Canada

**Stock Exchange(s):** Toronto

**Ticker Symbol:** GDS (A and B shares)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 487 | 1986 | 411 |
| 1988 | 460 | 1985 | 374 |
| 1987 | 434 | | |

**Sales & Earnings**

| | Net Sales | Net Income ‡ |
|---|---|---|
| 1989 | $ 676,837,000 | $ 25,821,000 |
| 1988 | 607,043,000 | 22,412,000 |
| 1987 | 588,536,000 | 22,522,000 |
| 1986 | 521,652,000 | 25,667,000 |
| 1985 | 474,005,000 | 20,172,000 |

| | No. of Com. Shares # | Earn. per Share ‡ + |
|---|---|---|
| 1989 | 16,624,811 | $ 1.40 |
| 1988 | 18,679,472 | 1.20 |
| 1987 | 18,749,400 | 1.20 |
| 1986 | 18,749,400 | 1.37 |
| 1985 | 18,749,400 | 1.07 |

‡ Including extraordinary loss of $1,786,000 ($0.10 per share) in 1985.
# Based on Class A and Class B common shares adjusted to reflect stock split.
+ Based on the weighted monthly average number of Class A and Class B common shares adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.48 | — | — |
| 1988 | 0.43 | — | — |
| 1987 | 0.40 | — | 2-for-1 |
| 1986 | 0.31 | — | — |
| 1985 | 0.27 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 136,717,000 | $ 8.21 |
| 1988 | 152,340,000 | 8.14 |
| 1987 | 141,252,000 | 7.52 |
| 1986 | 126,485,000 | 6.72 |
| 1985 | 106,520,000 | 5.67 |

+ Adjusted to reflect stock split.

**Income Account**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 676,837,000 | $ 607,043,000 |
| Cost of sales | 611,015,000 | 548,524,000 |
| Depreciation, amort. & depletion | 10,777,000 | 9,839,000 |
| Interest expense | 9,369,000 | 6,247,000 |
| Eq. in earn. of assoc. corps. | (456,000) | (655,000) |
| Income before taxes | $ 45,932,000 | $ 43,088,000 |
| Income taxes | 20,111,000 | 20,676,000 |
| Net Income | $ 25,821,000 | $ 22,412,000 |

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & short-term deposits | $ 4,239,000 | $ 3,626,000 |
| Receiv., net | 24,252,000 | 17,996,000 |
| Due from Sony of Canada | 8,005,000 | 8,541,000 |
| °Inventories | 157,977,000 | 152,517,000 |
| Prepaid expenses | 5,129,000 | 4,825,000 |
| Current Assets | $ 199,602,000 | $ 187,505,000 |
| Investments | 16,590,000 | 14,646,000 |
| #Fixed assets | 88,349,000 | 71,314,000 |
| Other assets | 3,412,000 | 2,143,000 |
| Total Assets | $ 307,953,000 | $ 275,608,000 |

**Liabilities**

| | | |
|---|---|---|
| Bank advances | $ 4,884,000 | $ 7,524,000 |
| Short-term notes payable | 57,100,000 | 37,500,000 |
| Long-term debt, curr. | 707,000 | 213,000 |
| Accts. payable & accruals | 67,213,000 | 71,877,000 |
| Income taxes pay. | 3,918,000 | 2,238,000 |
| Dividends payable | — | 2,236,000 |
| Curr. Liabilities | $ 133,822,000 | $ 121,588,000 |
| Long-term debt | 34,797,000 | 29,000 |
| Deferred inc. taxes | 2,617,000 | 1,651,000 |
| +Common stock | 11,459,000 | 12,855,000 |
| Retained earnings | 125,258,000 | 139,485,000 |
| Total Liabilities & Shareholders' Equity | $ 307,953,000 | $ 275,608,000 |

° At lower of cost and net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.79 | 7.10 |
| %Net Income to Sales | 3.81 | 3.69 |
| %Net Income to Equity | 18.89 | 14.71 |
| Sales to Inventories | 4.28 | 3.98 |
| Debt to Equity | 0.71 | 0.30 |
| Working Capital | $ 65,780,000 | $ 65,917,000 |
| Current Ratio | 1.49 | 1.54 |
| Shareholders' Equity | $ 136,717,000 | $ 152,340,000 |

## General Host Corporation

22 Gate House Road
P.O. Box 10045
Stamford, Connecticut 06904
(203) 357-9900

**Officers:** Harris J. Ashton, chairman of the board, president & chief executive officer; James C. Hull, v.p. & controller; Robert Esch, chairman-Frank's Nursery & Crafts; Daniel J. Gilmartin, dir.-planning; Walter B. Rogers, dir.-corp. communications; William F. Downey, secretary; Robert G. Kuhbach, gen. counsel.

**Directors:** Charles B. Johnson°, C. Whitcomb Alden, Jr., Harris J. Ashton°, William F. Downey°, Weston E. Hamilton, Philip B. Harley, Richard W. Haskel, Edward H. Hoornstra, Christopher A. Forster.

° Member of the Executive Committee

**Business Activities:** Engaged in the operation of 209 Frank's Nursery & Craft retail stores located in 11 states and the District of Columbia, and 37 Flower Time garden and craft centers in New York, New Jersey, Massachusetts and Connecticut.

**Divisions and Subsidiaries:**

Frank's Nursery & Crafts, Inc.
6399 E. Nevada
Detroit, Michigan 48234
Flower Time, Inc.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** GH

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 246 | 1984 | 644 |
| 1986 | 602 | 1983 | 1,013 |
| 1985 | 606 | | |

**Sales & Earnings**

| | Net Sales † (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1987 | $ 396,198 | $ 56,788 |
| 1986 | 321,530 | 4,674 |
| 1985 | 256,284 | 29,720 |
| 1984 | 203,650 | 92,122 |
| 1983 | 138,347 | 17,949 |

| | No. of Com. Shares + | Earn. per Share # ‡ |
|---|---|---|
| 1987 | 19,938,000 | $ 2.40 |
| 1986 | 24,875,000 | 0.18 |
| 1985 | 26,663,000 | 1.08 |
| 1984 | 28,342,000 | 3.24 |
| 1983 | 28,513,000 | 0.62 |

† Of continuing operations only.
‡ Including extraordinary loss of $3,000,000 ($0.11 per share) in 1986.
+ Adjusted to reflect stock splits.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend# | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.25 | — | — |
| 1986 | 0.225 | — | — |
| 1985 | 0.20 | — | 3-for-2 |
| 1984 | 0.178 | — | 3-for-2 |
| 1983 | 0.156 | — | 5-for-4 |

# Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1987 | $ 199,015,000 | $ 10.04 |
| 1986 | 202,765,000 | 8.22 |
| 1985 | 233,821,000 | 8.85 |
| 1984 | 228,051,000 | 8.10 |
| 1983 | 147,014,000 | 5.22 |

# Adjusted to reflect stock splits.

**Income Account (000's)**

| Year ended | 1/31/88 | 1/25/87 |
|---|---|---|
| Net sales | $ 396,198 | $ 321,530 |
| Other income | 6,064 | 21,888 |
| Total income | $ 402,262 | $ 343,418 |
| Cost of sales | 269,280 | 232,222 |
| Expenses | 111,532 | 101,473 |
| Depreciation | 14,549 | 10,599 |
| Interest expense | 21,691 | 24,239 |
| Loss before taxes | $ (14,790) | $ (25,115) |
| Tax credit | (7,451) | (12,278) |
| Loss-cont. oper. | $ (7,339) | $ (12,837) |
| Inc.-discont. oper. | 64,127 | 20,511 |
| Net Income | $ 56,788 | $ 7,674 |
| Extraord. loss | — | (3,000) |
| Net Income & extraord. loss | $ 56,788 | $ 4,674 |

**Assets (000's)**

| As of | 1/31/88 | 1/25/87 |
|---|---|---|
| Cash | $ 14,494 | $ 34,495 |
| Marketable securities | 80,268 | 136,200 |
| Proceeds from sale of Am. Salt Co. | 22,000 | — |
| Accts. & notes receiv., net | 7,766 | 40,473 |
| *Inventories | 77,007 | 114,372 |
| Prepaid expenses | 4,888 | 6,073 |
| Current Assets | $ 206,423 | $ 331,613 |
| #Fixed Assets | 238,125 | 296,147 |
| Intangibles and other assets | 45,259 | 63,786 |
| Total Assets | $ 489,807 | $ 691,546 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 6,921 | $ 8,506 |
| Accts. payable | 55,613 | 96,636 |
| Accruals | 45,433 | 45,458 |
| Curr. Liabilities | $ 107,967 | $ 150,600 |
| Long-term debt | 146,653 | 303,023 |
| Reserve & defer. credits | 36,172 | 24,408 |
| Minority interest | — | 10,750 |
| +Common stock | 31,752 | 31,752 |
| Add. paid-in capital | 89,887 | 89,589 |
| Retained earnings | 196,330 | 145,333 |
| Treasury stock | (117,735) | (62,154) |
| Notes receiv.-stock option | (1,089) | (1,755) |
| Total Liabilities & Shareholders' Equity | $ 489,807 | $ 691,546 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 28.53 | 3.78 |
| Sales to Inventories | 5.14 | 5.67 |
| Debt to Equity | 0.77 | 1.54 |
| Working Capital | $ 98,456,000 | $ 181,013,000 |
| Current Ratio | 1.91 | 2.20 |
| Shareholders' Equity | $ 199,015,000 | $ 202,765,000 |

## General Mills, Inc.

9200 Wayzata Boulevard
P.O. Box 1113
Minneapolis, Minnesota 55440
(612) 540-2311

**Officers:** H. Brewster Atwater, Jr., chairman of the board & chief exec. officer; F. Caleb Blodgett, vice chairman & chief financial and administrative officer; Mark H. Willes, president; Joe R. Lee, exec. v.p.; Arthur R. Schulze, exec. v.p.; Stephen M. Rothschild, exec. v.p.; David R. Waters, exec. v.p.; John L. Frost, sr. v.p.-personnel; John V. Luck, sr. v.p.-science & technology; Thomas P. Nelson, sr. v.p. & controller; Clifford L. Whitehill, sr. v.p., secretary & general counsel; Charles W. Gaillard, sr. v.p. & gen. mgr.-Big G Division; David E. Kelby, sr. v.p. & treasurer.

**Directors:** H. Brewster Atwater, Jr.*, Betsy Ancker-Johnson, F. Caleb Blodgett*, N. Bud Grossman*, Lewis W. Lehr*, John W. Morrison*, Gwendolyn A. Newkirk, William F. Pounds, Edward S. Reid*, George Putnam, Frederick W. Smith, Richard M. Bressler, Mark H. Willes*, C. Angus Wurtele, Joe R. Lee, Michael D. Rose, Arthur R. Schulze.

* Member of the Executive Committee

**Business Activities:** Engaged in the production and marketing of food products (breakfast and snack items, mixes, flour, seafood, etc.); commerical foods and ingredients; restaurant activities; and retail operations through Eddie Bauer, Inc., which sells men's and women's apparel as well as camping and outdoor equipment through its 39 Eddie Bauer stores and The Talbots, Inc., which sells classic women's clothing and accessories through its 109 Talbots stores in 24 states and the District of Columbia. Eddie Bauer and The Talbots sell by mail order catalogs as well as through retail sales.

**Divisions and Subsidiaries:**

Eddie Bauer, Inc.
15010 N.E. 36th Street
Redmond, Washington 98052
(206) 882-6100
Outdoor recreational and sporting clothing and equipment.

The Talbots, Inc.
175 Beal Street
Hingham, Massachusetts 02043
(617) 749-7600
Retail and mail catalog sales of men's and women's clothing.

York Steak House
Operates 113 cafeteria-style restaurants.

Red Lobster Inns
Operates 392 seafood restaurants in 34 states and 40 in Canada.

Leeann Chin's Inc.
Operates four Chinese buffet restaurants and 12 carry-out units in the Minneapolis-St. Paul and Chicago areas.

Vroman Foods
Manufacturer of ice cream specialties and other frozen snack products.

Olive Garden
Operates 18 Italian style restaurants.

**Transfer Agent(s):**

First Trust Company, Inc.
c/o Mellon Securities Transfer Services
67 Broad Street
New York, New York 10004

First Trust Company, Inc.
Loop Station
P.O. Box 2922
Minneapolis, Minnesota 55402

**Stock Exchange(s):** New York, Midwest

**Ticker Symbol:** GIS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 148 | 1984 | 224 |
| 1986 | 135 | 1983 | 244 |
| 1985 | 126 | | |

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1987 | $ 5,189,300 | $ 222,000 |
| 1986 | 4,586,600 | 183,500 |
| 1985 | 4,285,200 | (72,900) |
| 1984 | 5,600,800 | 233,400 |
| 1983 | 5,550,800 | 245,100 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1987 | 88,700,000 | $ 2.50 |
| 1986 | 89,200,000 | 2.06 |
| 1985 | 89,500,000 | — |
| 1984 | 93,700,000 | 2.49 |
| 1983 | 100,200,000 | 2.45 |

(Loss)
‡ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business #**
(000's)

| | 1987 | 1986 |
|---|---|---|
| Consumer foods | $ 3,449,900 | $ 3,061,300 |
| Restaurants | 1,249,100 | 1,051,000 |
| Spec. rst. & other | 490,300 | 383,600 |
| Total Sales | $ 5,189,300 | $ 4,495,900 |

# Of continuing operations only.

## General Nutrition Incorporated

921 Penn Avenue
Pittsburgh, Pennsylvania 15222
(412) 288-4600

**Officers:** Jerry D. Horn, chairman of the board & chief executive officer; William E. Watts, vice president & chief operating officer; Robert V. Dunn, senior vice president-law & administration and secretary; R. Craig Kirsch, senior vice president & chief financial officer and treasurer; Thomas Smith, vice president-management information services.

**Directors:** Jerry D. Horn, chairman of the board; Edward G. Beimfohr, Robert D. Buzzell, Robert V. Dunn, Lex N. Gamble, R. Craig Kirsch, David Lucas, William E. Watts.

**Business Activities:** Operates 1,080 retail stores which specialize in the sale of nutritional, personal care and other health-related products nationwide. Also manufactures a variety of nutritional products which are sold through the Company's retail stores, through its mail order division and to third parties.

**Subsidiaries:**

General Nutrition Corporation
General Nutrition Products, Inc.
General Nutrition Center, Inc.

**Transfer Agent(s):**

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15219

**Stock Exchange(s):** New York

**Ticker Symbol:** GNC

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1988 | 1,080 | 1985 | 1,134 |
| 1987 | 1,114 | 1984 | 1,308 |
| 1986 | 1,108 | | |

**Sales & Earnings**

| | Revenue | Net Income |
|---|---|---|
| 1988 | $ 361,101,000 | $ 12,578,000 |
| 1987 | 350,952,000 | 404,000 |
| 1986 | 342,591,000 | 6,591,000 |
| 1985 | 370,396,000 | (15,520,000) |
| 1984 | 390,349,000 | 11,033,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 32,267,000 | $ 0.39 |
| 1987 | 33,018,000 | 0.01 |
| 1986 | 33,095,000 | 0.20 |
| 1985 | 33,057,000 | — |
| 1984 | 33,056,000 | 0.33 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Retail | $ 343,511,000 | $ 312,465,000 |
| Manufacturing | 5,815,000 | 12,914,000 |
| Mail order | 21,775,000 | 25,573,000 |
| Total | $ 361,101,000 | $ 350,952,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.16 | — | — |
| 1987 | 0.16 | — | |
| 1986 | 0.16 | — | — |
| 1985 | 0.16 | — | — |
| 1984 | 0.16 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 90,247,000 | $ 2.80 |
| 1987 | 92,294,000 | 2.80 |
| 1986 | 97,114,000 | 2.93 |
| 1985 | 95,297,000 | 2.88 |
| 1984 | 116,104,000 | 3.51 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account °**
(000's)

| Year ended | 2/4/89 | 2/6/88 |
|---|---|---|
| Net sales | $ 361,101 | $ 350,952 |
| Cost of sales | 235,959 | 236,669 |
| Expenses | 101,854 | 101,994 |
| Loss on closing for. oper. | 1,512 | — |
| Interest expense | 660 | 2,110 |
| Prov. for plant sale | — | 7,120 |
| Prov. for store closing costs | — | 2,963 |
| Litigation settlement | 560 | (1,300) |
| Income before taxes | $ 20,556 | $ 1,396 |
| Income taxes | 7,978 | 992 |
| Net Income | $ 12,578 | $ 404 |

° Included in Costs and Expenses, Depreciation and Amortization: $15,123,000 in 1988 and $18,030,000 in 1987.

**Assets**
(000's)

| As of | 2/4/89 | 2/6/88 |
|---|---|---|
| Cash | $ 1,453 | $ 1,693 |
| Accts. receiv., net | 3,593 | 4,088 |
| Refundable taxes | — | 1,244 |
| Deferred inc. taxes | 5,272 | 3,806 |
| °Inventories | 62,775 | 59,035 |
| Plant assets held for resale | — | 6,322 |
| Other curr. assets | 5,334 | 4,906 |
| Current Assets | $ 78,427 | $ 81,094 |
| #Fixed assets | 54,470 | 60,770 |
| Other assets | 3,145 | 659 |
| Total Assets | $ 136,042 | $ 142,523 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,500 | $ 3,083 |
| Accts. payable | 22,498 | 15,733 |
| Accrued payroll | 10,028 | 8,309 |
| Income taxes | 207 | — |
| Accrued store clos. costs | 1,263 | 3,585 |
| Accrued plant consol. costs | 891 | 1,041 |
| Other current liabilities | 3,805 | 5,763 |
| Curr. Liabilities | $ 40,192 | $ 37,514 |
| Long-term debt | 2,039 | 9,500 |
| Deferred inc. taxes | 3,564 | 3,215 |
| +Common stock | 4,161 | 4,161 |
| Retained earnings | 95,523 | 88,267 |
| Treasury stock | (9,437) | (134) |
| Total Liabilities & Shareholders' Equity | $ 136,042 | $ 142,523 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.69 | 0.40 |
| %Net Income to Sales | 3.48 | 0.12 |
| %Net Income to Equity | 13.94 | 0.44 |
| Sales to Inventories | 5.75 | 5.94 |
| Debt to Equity | 0.04 | 0.14 |
| Working Capital | $ 38,235,000 | $ 43,580,000 |
| Current Ratio | 1.95 | 2.16 |
| Shareholders' Equity | $ 90,247,000 | $ 92,294,000 |

## Genesco Inc.

Genesco Park
Nashville, Tennessee 37202
(615) 367-7000

**Officers:** William S. Wire, II, chairman & chief executive officer; Larry B. Shelton, president & chief operating officer; James W. O'Brien, v.p.-human resources; William C. O'Connor, v.p.-law & secretary; James S. Gulmi, v.p.-finance & treasurer; Richard L. Daniels, v.p., & pres.-Performance Polymers International; Robert E. Brouky, controller & chief accounting officer; Larry G. Kinney, asst. v.p.; M. Willa Oglesby, asst. treasurer.

**Directors:** William S. Wire°, chairman; Sidney Davidson°, John Diebold°, Harry D. Garber°, Larry B. Shelton, Edward E. Elson°, W. Lipscomb Davis, Jr., Philip Merrill, William G. Moore, Jr..

° Member of the Executive Committee

**Business Activities:** Genesco's business falls into three major areas: retailing, footwear, and men's apparel manufacturing. Operates 635 shoe stores and leased shoe departments throughout the U.S. and in Puerto Rico.

**Divisions and Subsidiaries:**

Manufacturing and Wholesale:

Mitre Sports
Genesco Park, Room 328
Nashville, Tennessee 37202
(615) 367-7475
Athletic shoes.

Laredo/Code West Boots
Genesco Park
Nashville, Tennessee 37202
(615) 367-7138
Laredo and Code West western boots for men, women, and children.

Charm Step Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-7113
Women's popular priced shoes.

Volunteer Leather
Genesco Park
Nashville, Tennessee 37202
(615) 367-8261
Side leather tanning, finishing and distributing.

Johnston & Murphy Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-8101
Johnston & Murphy men's shoes; operates 93 retail shoe stores and 39 leased shoe departments.

The Greif Companies
939 Marcon Boulevard
P.O. Box 9000
Allentown, Pennsylvania 18001
(215) 266-2200
Men's tailored clothes.

Genesco Retail:

Journeys
Genesco Park
Nashville, Tennessee 37202
(615) 367-7019
Footwear and personal accessories for young men and women, aged 13-23.

Genesco Factory To You Shoes
Genesco Park
Nashville, Tennessee 37202
(615) 367-7363
Family footwear and accessories at factory prices.

Hardy Shoe Stores
Genesco Park
Nashville, Tennessee 37202
(615) 367-7444
Popular priced men's shoe stores.

Jarman/Flagg
Genesco Park
Nashville, Tennessee 37202
(615) 367-7222
Men's shoe stores and leased shoe departments featuring Jarman shoes.

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
(common & preferred stock)
30 West Broadway
New York, New York 10015

**Stock Exchange(s):** New York, Midwest

**Ticker Symbol:** GCO

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 635 | 1985 | 1,088 |
| 1987 | 658 | 1984 | 1,098 |
| 1986 | 698 | | |

**Sales & Earnings**

| | Net Sales † ('000's) | Net Income ('000's) |
|---|---|---|
| 1989 | $ 462,766 | $ 15,156 |
| 1988 | 405,844 | 11,444 |
| 1987 | 514,589 | 20,426 |
| 1986 | 538,486 | (33,929) |
| 1985* | 297,372 | 4,548 |

| | No. of Com. Shares | Earn. per Share # |
|---|---|---|
| 1989 | 20,723,669 | $ 0.76 |
| 1988 | 15,188,821 | 0.61 |
| 1987 | 15,173,821 | 1.20 |
| 1986 | 15,098,821 | — |
| 1985* | 15,080,800 | 0.23 |

(Loss)
* 6 months.
† Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
('000's)

| | 1989 | 1988 |
|---|---|---|
| Footwear: | | |
| Retail | $ 202,037 | $ 185,893 |
| Wholesale & mfg. | 135,980 | 121,638 |
| Total Footwear | $ 338,017 | $ 307,531 |
| Men's apparel | 124,749 | 98,313 |
| Total | $ 462,766 | $ 405,844 |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 102,031,000 | $ 4.92 |
| 1988 | 56,155,000 | 3.70 |
| 1987 | 46,185,000 | 3.04 |
| 1986 | 19,701,000 | 1.30 |
| 1985 | 58,364,000 | 3.87 |

**Income Account***
('000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 462,766 | $ 405,844 |
| Cost of sales | 294,072 | 256,966 |
| Expenses | 149,218 | 139,986 |
| Interest expense | 9,511 | 9,967 |
| Interest income | (2,160) | (4,717) |
| Pension plan settle. gain | (2,298) | — |
| Inc. bef. taxes | $ 15,699 | $ 7,281 |
| Income taxes (credit) | 543 | (39) |
| Inc. - cont. oper. | $ 15,156 | $ 7,320 |
| Inc. - discont. oper. | — | 4,124 |
| Net Income | $ 15,156 | $ 11,444 |

* Included in Costs and Expenses, Depreciation and Amortization: $7,821,000 in 1989 and $7,619,000 in 1988.

**Assets**
('000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 41,775 | $ 46,513 |
| Receiv., net | 58,596 | 54,470 |
| *Inventories | 114,387 | 106,045 |
| Prepaid expenses | 3,856 | 3,642 |
| Curr. Assets | $ 218,614 | $ 210,670 |
| #Fixed assets | 41,711 | 43,987 |
| Other assets | 5,110 | 3,836 |
| Total Assets | $ 265,435 | $ 258,493 |

**Liabilities**
('000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 9,642 | $ — |
| Capitalized lease oblig., curr. | 738 | 1,912 |
| Accts. payable & accruals | 41,795 | 44,412 |
| Curr. Liabilities | $ 52,175 | $ 46,324 |
| Long-term debt | 49,377 | 57,989 |
| Cap. lease oblig. | 10,260 | 11,013 |
| Other liabilities | 17,689 | 21,092 |
| Redeem pref. stock | 17,304 | 36,347 |
| Preferred stock | 16,599 | 29,573 |
| +Common stock | 21,212 | 15,677 |
| Add. paid-in capital | 91,007 | 65,673 |
| Retained earnings (deficit) | 8,179 | (6,828) |
| Treasury stock | (18,367) | (18,367) |
| Total Liabilities & Shareholders' Equity | $ 265,435 | $ 258,493 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.39 | — |
| %Net Income to Sales | 3.28 | — |
| %Net Income to Equity | 12.78 | 9.34 |
| Sales to Inventories | 4.05 | 3.83 |
| Debt to Equity | 0.59 | 0.83 |
| Working Capital | $ 166,439,000 | $ 164,346,000 |
| Current Ratio | 4.19 | 4.55 |
| Shareholders' Equity | $ 118,630,000 | $ 85,728,000 |

## Genovese Drug Stores, Inc.

80 Marcus Drive
Melville, New York 11747
(516) 420-1900

**Officers:** Leonard Genovese, chairman of the board & president; Herbert J. Kett, sr. v.p.; Allan Patrick, sr. v.p.; Jerome Stengel, v.p. & treasurer; Donald W. Gross, v.p. & secretary; Ralph J. Rescildo, v.p.; Dominick Lettieri, v.p.; Raymond Rescildo, v.p.; J. Robert McCarthy, v.p.; John Royce, v.p.; Emil DiLollo, asst. v.p.; James Flinter, asst. v.p.; Owen Rees, asst. v.p.; Ronald LeTellier, controller.

**Directors:** Frances A. Wangberg, Leonard Genovese, William J. McKenna, Herbert J. Kett, Charles Hayward, Edward J. Brady, Abrahem Allen, Allan Patrick, Thomas M. Cooney.

**Business Activities:** Operates a chain of 90 Genovese Drug Stores located in New York, New Jersey and Connecticut.

**Divisions:**

Genco Distributors Division
100 Orville Drive
Bohemia, New York 11716
A distributor of cosmetics, health and beauty aids, and sundries.

Living Color Labs
199 Glen Street
Glen Cove, New York 11542
Operates photo-finishing labs and a professional retail photo store.

Genrex Pharmacy Services
80 Marcus Drive
Melville, New York 11747

**Transfer Agent(s):**

American Stock Transfer Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** American

**Ticker Symbol:** GDXA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 91 | 1985 | 77 |
| 1987 | 83 | 1984 | 72 |
| 1986 | 79 | | |

## Genovese Drug Stores, Inc.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 366,412,000 | $ 5,524,000 |
| 1988 | 313,927,000 | 4,637,000 |
| 1987 | 270,760,000 | 2,035,000 |
| 1986 | 233,174,000 | 2,929,000 |
| 1985 | 220,295,000 | 4,137,000 |

| | No. of Com. Shares # | Earn. per Share ‡ |
|---|---|---|
| 1989 | 6,685,519 | $ 0.83 |
| 1988 | 6,681,005 | 0.70 |
| 1987 | 6,642,811 | 0.31 |
| 1986 | 6,653,272 | 0.44 |
| 1985 | 6,653,272 | 0.62 |

# Adjusted to reflect stock dividend and stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

**Common Stock**

| | Cash Dividend‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.18 | 10% | — |
| 1988 | 0.14 | — | — |
| 1987 | 0.12 | — | — |
| 1986 | 0.12 | — | — |
| 1985 | 0.12 | — | — |

‡ Adjusted to reflect stock dividend and stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 34,687,000 | $ 5.19 |
| 1988 | 30,377,000 | 4.55 |
| 1987 | 26,388,000 | 3.97 |
| 1986 | 25,257,000 | 3.80 |
| 1985 | 23,135,000 | 3.48 |

‡ Adjusted to reflect stock dividend and stock split.

**Income Account**

| Year ended | 2/3/89 | 1/29/88 |
|---|---|---|
| Net sales | $ 366,412,000 | $ 313,927,000 |
| Cost of sales | 260,001,000 | 222,406,000 |
| Expenses | 94,157,000 | 82,231,000 |
| Interest exp. | 2,611,000 | 1,902,000 |
| Income before taxes | $ 9,643,000 | $ 7,388,000 |
| Income taxes | 4,119,000 | 3,238,000 |
| Cum. effect of accntg. change | — | (487,000) |
| Net Income | $ 5,524,000 | $ 4,637,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $3,464,000 in 1989 and $2,883,000 in 1988.

**Assets**

| As of | 2/3/89 | 1/29/88 |
|---|---|---|
| Cash | $ 1,091,000 | $ 1,113,000 |
| Receiv., net | 9,484,000 | 6,009,000 |
| *Inventories | 67,954,000 | 56,441,000 |
| Prepaid expenses | 1,951,000 | 1,356,000 |
| Current Assets | $ 80,480,000 | $ 64,919,000 |
| #Fixed assets | 31,858,000 | 19,095,000 |
| Funds held in escrow | — | 8,021,000 |
| Other assets & deferred charges | 1,283,000 | 1,283,000 |
| Total Assets | $ 113,621,000 | $ 93,328,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 7,218,000 | $ 158,000 |
| Long-term debt, curr. | 1,351,100 | 1,036,000 |
| Accts. payable | 31,174,000 | 28,823,000 |
| Accruals | 4,894,000 | 4,315,000 |
| Income taxes | 656,000 | — |
| Deferred income taxes | 1,713,000 | 1,476,000 |
| Other taxes | 2,172,000 | 2,131,000 |
| Curr. Liabilities | $ 49,178,000 | $ 37,939,000 |
| Long-term debt | 25,008,000 | 20,850,000 |
| Deferred income taxes | 4,748,000 | 4,162,000 |
| +Common stock | 6,729,000 | 6,108,000 |
| Add. paid-in capital | 12,337,000 | 5,441,000 |
| Retained earnings | 16,023,000 | 19,130,000 |
| Treasury stock | (402,000) | (302,000) |
| Total Liabilities & Shareholders' Equity | $ 113,621,000 | $ 93,328,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.63 | 2.35 |
| %Net Income to Sales | 1.51 | 1.48 |
| %Net Income to Equity | 15.93 | 15.26 |
| Sales to Inventories | 5.39 | 5.56 |
| Debt to Equity | 0.97 | 0.73 |
| Working Capital | $ 31,302,000 | $ 26,980,000 |
| Current Ratio | 1.64 | 1.71 |
| Shareholders' Equity | $ 34,687,000 | $ 30,377,000 |

## George Weston Limited

22 St. Clair Avenue East
Suite 1901
Toronto, Ontario M4T 2S7, Canada
(416) 922-2500

**Officers:** W. Galen Weston, chairman of the board & president; Richard J. Currie, pres.-Loblaw Companies Limited; Robert H. Kidd, sr. v.p. & chief financial officer; David A. Nichol, president-Loblaw International Merchants; David R. Beatty, president-Weston Foods Ltd.; Earl R. Pearce, president-Weston Resources Limited; Ivan R. Franklin, v.p.-taxation; Stewart E. Green, v.p., secretary & gen. counsel; Terrence H. Wardrop, v.p.-financial control & administration; Michael R. Lambert, controller; John V. Laurie, treasurer.

**Directors:** W. Galen Weston, chairman; John C. Scarth, John D. Stevenson, David A. Nichol, Mark Hoffman, Hugo Mann, Pauline McGibbon, Garry H. Weston, Robert H. Kidd, Earl R. Pearce, David R. Beatty, Robert I. Mitchell, Gerald B. Mitchell, Richard J. Currie, S. Simon , Reisman.

**Business Activities:** Diversified operations in food processing, fisheries, forest products, and wholesale-retail food distribution.

**Divisions and Subsidiaries:**

Wholesales and Retail
Canadian operations include wholesale and retail marketing of food and other products throughout Canada and food manufacturing for distribution in Canada and the United States. Also engaged in wholesale and retail distribution of food and other products in the central United States. The Company owns warehouses in strategic centers with supermarkets across Canada and the northwestern and south central United States. Also operates food manufacturing plants in Burnaby, British Columbia. United States facilities include supermarkets located primarily in the central United States with warehouses in major centers.

Canadian Operations
Loblaw Companies Limited (77% owned)
Atlantic Wholesalers
National Grocers
Zehrmart
Combined Merchandisers
Kelly, Douglas & Company, Limited (65% owned)
Westfair Foods
Loblaws Supermarkets

United States Operations
National Tea Co.

Weston Foods Ltd.

Fortino's Supermarkets Ltd.
Operates eight Fortino's supermarkets.

Bakery Group
Produces and disbributes a wide variety of baked goods throughout Canada.

Weston Bakeries Limited
Stroehmann Bakeries
Soo Line Mills Limited
McCarthy Milling Company Limited

Biscuit Group
Manufactures and markets sweet biscuits, crackers, ice cream cones, confections and candies throughout Canada and the United States.

Interbake Foods, Inc. (U.S.)

Chocolate & Dairy Group
Manufacturer of chocolate and chocolate products; produces ice cream and dairy products.

William Neilson Limited

Food Specialties Group
Manufactures a variety of toppings and other products for the baking confection, dairy and fountain industries. Packages and distributes a line of dried and glazed fruits, nuts, cereals and health foods. Produces liquid bulk and granulated and packaged white sugars.

Bowes Co. Ltd.
Weston Resources Limited

Fisheries
Major suppliers of Pacific coast salmon and wide variety of fresh, frozen, canned and prepared seafoods, as well as fish meal and oil.

British Columbia Packers Limited
Connors Bros. Limited
Nelbro Packing Company
Port Clyde Foods

Forest Products

Forest Products Group
Manufactures and distributes fine, specialty and kraft papers for printing, converting, packaging and wrapping; paperboard, kraft pulps, lumber, tissue, other household and industrial paper products.

Eddy Paper Company Limited
E. B. Eddy Forest Products Ltd.
Easter Fine Paper Inc. (U.S.)

**Transfer Agent(s):**

National Trust Company
Toronto, Montreal & Vancouver, Canada

**Stock Exchange(s):** Toronto, Montreal, Vancouver

**Ticker Symbol:** WN

**Sales & Earnings**

| | Net Sales (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1988 | $ 10,831,200 | $ 190,300 |
| 1987 | 11,034,800 | 134,100 |
| 1986 | 10,026,100 | 118,600 |
| 1985 | 8,879,800 | 100,900 |
| 1984 | 8,254,700 | 93,500 |

| | No. of Com. Shares + | Earn. per Share ‡ + |
|---|---|---|
| 1988 | 46,095,638 | $ 3.85 |
| 1987 | 46,096,708 | 2.58 |
| 1986 | 45,998,034 | 2.31 |
| 1985 | 45,898,716 | 1.96 |
| 1984 | 45,812,663 | 1.79 |

‡ Including extraordinary gains of $53,100,000 ($1.15 per share) in 1988 and $4,700,000 ($0.10 per share) in 1984.
+ Adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Weston Foods | $ 1,468,000 | $ 1,502,000 |
| Loblaw Companies | 8,308,000 | 8,631,000 |
| Weston Resources | 1,361,000 | 1,223,000 |
| Inter-group | (306,000) | (321,000) |
| Total | $ 10,831,000 | $ 11,035,000 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.61 | — | — |
| 1987 | 0.57 | — | |
| 1986 | 0.51 | — | 4-for-1 |
| 1985 | 0.44 | — | — |
| 1984 | 0.40 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share † |
|---|---|---|
| 1988 | $ 949,182,000 | $ 20.59 |
| 1987 | 840,051,000 | 18.23 |
| 1986 | 759,460,000 | 16.52 |
| 1985 | 664,231,000 | 14.49 |
| 1984 | 587,462,000 | 12.84 |

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 10,831,200 | $ 11,034,800 |
| Cost of sales | 10,279,800 | 10,502,900 |
| Depreciation | 181,700 | 174,700 |
| Costs of downsizing | 21,500 | — |
| Interest expense | 103,900 | 91,100 |
| Income bef. taxes | $ 244,300 | $ 266,100 |
| Income taxes | 86,300 | 106,100 |
| Minority interest | 20,600 | 25,900 |
| Net Income | $ 137,400 | $ 134,100 |
| Extraord. gain | 53,100 | — |
| Net Income & extraord. gain | $ 190,500 | $ 134,100 |

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & investments | $ 102,600 | $ 44,500 |
| Accts. receiv., net | 372,200 | 464,300 |
| *Inventories | 917,000 | 997,000 |
| Prepaid expenses | 34,600 | 62,800 |
| Current Assets | $ 1,420,400 | $ 1,568,600 |
| Investments | 144,400 | 163,600 |
| #Fixed assets | 1,804,400 | 1,753,200 |
| Intangibles & other assets | 106,500 | 60,700 |
| Total Assets | $ 3,475,700 | $ 3,546,100 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank advances & notes payable | $ 185,800 | $ 247,900 |
| Long-term debt, curr. | 19,900 | 21,600 |
| Accts. payable & accruals | 908,200 | 972,800 |
| Dividends payable | 7,400 | 6,900 |
| Income taxes | 46,600 | 60,300 |
| Curr. Liabilities | $ 1,168,900 | $ 1,309,300 |
| Long-term debt | 662,800 | 716,000 |
| Other liabilities | 38,100 | 26,700 |
| Minority interest | 263,400 | 269,000 |
| Deferred inc. taxes | 210,900 | 202,100 |
| +Preferred stock | 182,200 | 182,700 |
| ++Common stock | 32,300 | 31,200 |
| Retained earnings | 935,900 | 790,000 |
| For. curr. trans. | (18,800) | 19,100 |
| Total Liabilities & Shareholders' Equity | $ 3,475,700 | $ 3,546,100 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ $100 par value.
++ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.26 | 2.41 |
| %Net Income to Sales | 1.27 | 1.22 |
| %Net Income to Equity | 12.14 | 13.11 |
| Sales to Inventories | 11.89 | 11.07 |
| Debt to Equity | 0.77 | 0.96 |
| Working Capital | $ 251,500,000 | $ 259,300,000 |
| Current Ratio | 1.22 | 1.20 |
| Shareholders' Equity | $ 1,131,600,000 | $ 1,023,000,000 |

## Giant Food Inc.

6300 Sheriff Road
Landover, Maryland 20785
(301) 341-4100

Mailing Address:
P. O. Box 1804
Washington, Washington D.C. 20013

**Officers:** Israel Cohen, chairman of the board, president & chief exec. officer; David B. Sykes, sr. v.p.-finance, secretary & treasurer; Pete L. Manos, sr. v.p.-food operations; Alvin Dobbin, sr. v.p.-operations; David Freedman, sr. v.p.-corporate facilities; David W. Rutstein, sr. v.p. & general counsel; Albert J. Lechert, Jr., v.p.-construction operations; Roger D. Olson, sr. v.p.-labor relations & personnel; Alan Swoff, v.p.-frozen food operations; David Larson, v.p.-manufacturing; George W. Hannis, Jr., v.p.-dairy, delicatessen, meat & seafood; M. Davis Herriman, v.p.-grocery oper.; Emanuel Richman, v.p.-pharmacy oper.; Robert W. Schoening, sr. v.p.-data processing; Terry A. Gaza, v.p.-advertising & sales promotion; Odonna Mathews, v.p.-consumer affairs; Ronald A. Cooke, v.p.-store operations; Barry F. Scher, v.p.-public affairs; Samuel E. Thurston, sr. v.p.-distribution; Albert Reinach, controller; Michael J. Bush, v.p.-real estate; Stephen L. Oseroff, v.p.-shopping centers; M. David Richman, v.p.-quality assurance; Winston doCarmo, v.p.-personnel; Arthur Koch, asst. secretary.

**Directors:** David B. Sykes, Israel Cohen, Millard R. West, Jr., Morton H. Wilner, Richard Waxenberg, Samuel Lehrman, John J. Mason.

**Business Activities:** Operates a chain of 145 Giant Food supermarkets in Washington, D.C., Maryland and Virginia, of which 95 are food-pharmacy units; also operates one freestanding drug store.

**Transfer Agent(s):**

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** American, Philadelphia, Pacific

**Ticker Symbol:** GFSA

**Number of Stores:** (at fiscal year end)

| | Food Stores | Other Stores |
|---|---|---|
| 1988 | 145 | 1 |
| 1987 | 144 | 1 |
| 1986 | 141 | 1 |
| 1985 | 137 | 1 |
| 1984 | 131 | 33 |

**Sales & Earnings**

| | Net Sales ‡ (000's) | Net Income (000's) |
|---|---|---|
| 1989 | $ 2,987,154 | $ 97,967 |
| 1988 | 2,721,260 | 75,572 |
| 1987* | 2,528,492 | 46,453 |
| 1986 | 2,247,218 | 57,003 |
| 1985 | 2,138,789 | 45,221 |

| | No. of Com. Shares † | Earn. per Share # |
|---|---|---|
| 1989 | 60,163,000 | $ 1.63 |
| 1988 | 60,152,000 | 1.26 |
| 1987* | 60,090,000 | 0.77 |
| 1986 | 59,948,000 | 0.95 |
| 1985 | 59,558,000 | 0.77 |

* 53 weeks.
‡ Of continuing operations.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.40 | — | 2-for-1 |
| 1988 | 0.33 | — | |
| 1987 | 0.30 | — | — |
| 1986 | 0.25 | — | 2-for-1 |
| 1985 | 0.20 | — | — |

‡ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 427,660,000 | $ 7.11 |
| 1988 | 355,570,000 | 5.91 |
| 1987 | 299,926,000 | 4.99 |
| 1986 | 271,319,000 | 4.53 |
| 1985 | 228,728,000 | 3.84 |

‡ Adjusted to reflect stock splits.

**Income Account ***
(000's)

| Year ended | 2/25/89 | 2/27/88 |
|---|---|---|
| Net sales | $ 2,987,154 | $ 2,721,260 |
| Cost of sales | 2,107,406 | 1,934,275 |
| Expenses | 709,422 | 644,270 |
| Interest expense | 24,146 | 22,123 |
| Interest income | (12,890) | (8,033) |
| Other income | — | (3,100) |
| Income before taxes | $ 159,070 | $ 131,725 |
| Income taxes | 61,103 | 56,153 |
| Net Income | $ 97,967 | $ 75,572 |

* Included in Costs and Expenses, Depreciation and Amortization: $56,995,000 in 1989 and $49,650,000 in 1988.

**Assets (000's)**

| As of | 2/25/89 | 2/27/88 |
|---|---|---|
| Cash & short-term invest. | $ 90,789 | $ 86,344 |
| Short-term invest. | 87,867 | 61,265 |
| Receivables net | 28,005 | 26,031 |
| *Inventories | 191,012 | 183,291 |
| Prepaid expenses | 6,854 | 7,865 |
| Current Assets | $ 404,527 | $ 364,796 |
| Real estate for future develop. | 10,449 | 5,761 |
| #Fixed assets | 449,946 | 396,324 |
| Prop. under cap. leases | 108,253 | 105,528 |
| Other assets | 9,356 | 12,584 |
| Total Assets | $ 982,531 | $ 884,993 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 6,177 | $ 4,667 |
| Cap. lease oblig., curr. | 3,480 | 3,178 |
| Accts. payable | 163,852 | 163,798 |
| Accruals | 65,960 | 55,702 |
| Dividends payable | 6,018 | 4,960 |
| Income taxes | 12,634 | 7,331 |
| Curr. Liabilities | $ 258,121 | $ 239,636 |
| Long-term debt | 101,740 | 107,963 |
| Cap. lease oblig. | 131,721 | 126,808 |
| Prov. for ins. claims | 15,810 | 12,692 |
| Deferred inc. taxes | 45,317 | 39,812 |
| Other liabilities | 2,162 | 2,512 |
| +Common stock | 60,257 | 30,128 |
| Add. paid-in capital | 1,058 | 2,516 |
| Retained earnings | 368,310 | 324,417 |
| Treasury stock | (1,965) | (1,491) |
| Total Liabilities & Shareholders' Equity | $ 982,531 | $ 884,993 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.33 | 4.84 |
| %Net Income to Sales | 3.28 | 2.78 |
| %Net Income to Equity | 22.91 | 21.25 |
| Sales to Inventories | 15.64 | 14.85 |
| Debt to Equity | 0.57 | 0.68 |
| Working Capital | $ 146,406,000 | $ 125,160,000 |
| Current Ratio | 1.57 | 1.52 |
| Shareholders' Equity | $ 427,660,000 | $ 355,570,000 |

## The Gitano Group, Inc.

1411 Broadway
New York, New York 10018
(212) 819-0707

**Officers:** Morris Dabah, chairman & chief executive officer; Haim Dabah, president & chief operating officer; Ezra Dabah, vice chairman, executive committee; Isaac Dabah, vice chairman; Robert Reiss, exec. v.p.; Stanley A. Greenstein, sr. v.p. & chief financial officer; Gustave Birnberg, sr. v.p.; David Keery, v.p. & sr. financial officer; Steven M. Gerber, general counsel & secretary.

**Directors:** Morris Dabah, chairman; Haim Dabah, Ezra Dabah, Isaac Dabah, Gustave Birnberg, Michael Goldstein, Kevin W. Kennedy, Peter J. Mansbach, Norman S. Matthews, Robert Reiss, Laura J. Sloate.

**Business Activities:** Operates 41 company-owned retail locations, which include 32 factory stores, four warehouse clearance centers, and five children's stores, all operating under the Gitano name. Also designs, manufactures and markets jeanswear and sportswear for men, women and children, intimate apparel for women, and other apparel, primarily under the Gitano name.

**Operating Units:**

Gitano Women's Jeanswear
Gitano Women's Sportswear
E.J. Gitano Childrenswear
Gitano Menswear
Gitano Intimate Apparel
Gloria Vanderbilt Women's Apparel
Gitano Retail Group
Gitano Licensees
Gloria Vanderbilt Licensees
Private Label Division

**Transfer Agent(s):**

Continental Stock Transfer & Trust Company
New York, New York

**Stock Exchange(s):** New York

**Ticker Symbol:** GIT

**Number of Stores:** (at fiscal year end)

1988 ..... 41 1987 ..... 16

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 464,526,000 | $ 22,977,000 |
| 1987 | 365,993,000 | 16,866,000 |
| 1986 | 308,503,000 | 8,391,000 |
| 1985* | 159,440,000 | 6,033,000 |

| | No. of Com. Shares + | Earn. per Share + |
|---|---|---|
| 1988 | 12,372,650 | $ 1.86 |
| 1987 | 11,835,655 | 1.43 |
| 1986 | 11,835,655 | 0.71 |
| 1985* | 11,835,655 | 0.51 |

* 53 weeks.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Apparel | $ 440,541,000 | $ 356,332,000 |
| Retail | 20,263,000 | 7,871,000 |
| Licensing | 3,722,000 | 1,790,000 |
| Total | $ 464,526,000 | $ 365,993,000 |

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share |
|---|---|---|
| 1988 | $ 95,539,000 | $ 6.88 |
| 1987 | 46,400,000 | 3.94 |
| 1986 | 29,522,000 | 2.52 |
| 1985 | 20,331,000 | 1.74 |

‡ After allowing for preferred stock at par value.

**Income Account ***

| Year Ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 464,526,000 | $ 365,993,000 |
| Cost of sales | 334,938,000 | 260,868,000 |
| Expenses: | | |
| Sell. & distr. | 60,105,000 | 45,562,000 |
| Gen. & adm. | 21,687,000 | 17,884,000 |
| Interest expense | 15,569,000 | 10,379,000 |
| Income before taxes | $ 32,227,000 | $ 31,300,000 |
| Income taxes | 9,250,000 | 14,434,000 |
| Net Income | $ 22,977,000 | $ 16,866,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $4,203,000 in 1988 and $2,941,000 in 1987.

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 5,893,000 | $ 742,000 |
| Accts. receiv., net | 57,010,000 | 54,496,000 |
| Refundable taxes | 6,987,000 | — |
| *Inventories | 151,762,000 | 113,830,000 |
| Prepaid expenses | 7,647,000 | 4,916,000 |
| Deferred inc. taxes | 241,000 | 1,338,000 |
| Current Assets | $ 229,540,000 | $ 175,322,000 |
| #Fixed assets | 37,510,000 | 28,781,000 |
| Permanent quota costs | 3,373,000 | 2,667,000 |
| Trademarks | 16,779,000 | 1,745,000 |
| Other assets | 5,301,000 | 5,365,000 |
| Total Assets | $ 292,503,000 | $ 213,880,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 27,288,000 | $ 11,453,000 |
| Long-term debt, curr. | 4,190,000 | 192,000 |
| Accts. payable | 31,745,000 | 31,160,000 |
| Accruals | 19,089,000 | 12,416,000 |
| Income taxes | — | 3,997,000 |
| Bankers' accept. pay. | 53,005,000 | 42,117,000 |
| Due to affiliates | 176,000 | 7,591,000 |
| Cap. lease oblig., curr. | 695,000 | 697,000 |
| Current Liabilities | $ 136,188,000 | $ 109,623,000 |
| Notes payable | 37,644,000 | 34,798,000 |
| Subord. notes payable | 5,892,000 | 4,190,000 |
| Cap. lease oblig. | 16,797,000 | 17,852,000 |
| Deferred inc. taxes | 155,000 | 729,000 |
| +Preferred stock | 288,000 | 288,000 |
| ++Common stock | 1,392,000 | 1,319,000 |
| Add. paid-in capital | 36,681,000 | — |
| Retained earnings | 57,466,000 | 45,081,000 |
| Total Liabilities & Shareholders' Equity | $ 292,503,000 | $ 213,880,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $50 par value; $4 non-cumulative.
++ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 6.94 | 8.55 |
| % Net Income to Sales | 4.95 | 4.61 |
| % Net Income to Equity | 23.98 | 36.12 |
| Sales to Inventories | 3.06 | 3.22 |
| Debt to Equity | 0.97 | 1.48 |
| Working Capital | $ 93,352,000 | $ 65,699,000 |
| Current Ratio | 1.69 | 1.60 |
| Shareholders Equity | $ 95,827,000 | $ 46,688,000 |

## The Good Guys, Inc.

601 Van Ness Avenue
San Francisco, California 94102
(415) 885-2121

**Officers:** Ronald A. Unkefer, chairman of the board & president; Barry D. Weston, executive v.p. & chief financial officer; Stanley R. Baker, v.p.-video merchandising & secretary; Wayne R. Inouye, v.p.-audio merchandising; Barton L. Jackson, v.p.-management information systems; Roger W. Lamry, v.p.-operations; Gregory L. Steele, v.p.-real estate; Gera M. Vaz, v.p.-human resources; Kenneth R. Weller, v.p.-sales; William A. McFarlane, treasurer & controller.

**Directors:** Ronald A. Unkefer, chairman; Barry D. Weston, Stanley R. Baker, Robert A. Guest, Russell M. Solomon.

**Areas of Work:** Operates 17 consumer electronics retail stores in northern California under the name THE GOOD GUYS!

**Transfer Agent(s):**

Bank of America, N.T. & S.A.
P.O. Box 37002
San Francisco, California 94137

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** GGUY (NASDAQ)

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1988 | 17 | 1986 | 12 |
| 1987 | 14 | 1985 | 7 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 149,369,000 | $ 3,309,000 |
| 1987 | 120,239,000 | 2,609,000 |
| 1986 | 89,473,000 | 1,401,000 |
| 1985 | 70,868,000 | 2,255,000 |
| 1984 | 52,150,000 | 739,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 4,480,000 | $ 0.74 |
| 1987 | 4,439,000 | 0.59 |
| 1986 | 4,008,000 | 0.35 |
| 1985 | 3,500,000 | 0.64 |
| 1984 | 3,500,000 | 0.21 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 23,477,000 | $ 5.24 |
| 1987 | 20,634,000 | 4.65 |
| 1986 | 17,379,000 | 4.34 |
| 1985 | 5,716,000 | 1.63 |
| 1984 | 3,461,000 | 0.99 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***
(000's)

| Year ended Sept. 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 149,369 | $ 120,239 |
| Cost of sales | 109,509 | 86,995 |
| Expenses | 34,550 | 28,578 |
| Other income | (139) | (253) |
| Income before taxes | $ 5,449 | $ 4,919 |
| Income taxes | 2,140 | 2,310 |
| Net Income | $ 3,309 | $ 2,609 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,758,000 in 1988 and $1,265,000 in 1987.

**Assets**
(000's)

| As of Sept. 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 1,391 | $ 6,733 |
| Accts. receiv., net | 2,243 | 3,192 |
| *Inventories | 18,309 | 13,772 |
| Prepaid expenses | 1,878 | 750 |
| Current Assets | $ 23,821 | $ 24,447 |
| #Fixed assets | 11,697 | 6,612 |
| Other assets | 319 | 328 |
| Total Assets | $ 35,837 | $ 31,387 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Accts. payable | $ 7,578 | $ 6,617 |
| Accrued payroll | 1,799 | 1,248 |
| Accrued sales taxes | 1,057 | 842 |
| ESOP contribution | 100 | 687 |
| Other current liabilities | 1,323 | 934 |
| Curr. Liabilities | $ 11,857 | $ 10,328 |
| Deferred revenue | 503 | 425 |
| +Common stock | 44 | 45 |
| Add. paid-in capital | 11,080 | 10,963 |
| Retained earnings | 12,333 | 9,626 |
| Total Liabilities & Shareholders' Equity | $ 35,837 | $ 31,387 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.65 | 4.09 |
| %Net Income to Sales | 2.22 | 2.17 |
| %Net Income to Equity | 14.09 | 12.64 |
| Sales to Inventories | 8.16 | 8.73 |
| Working Capital | $ 11,964,000 | $ 14,119,000 |
| Current Ratio | 2.01 | 2.37 |
| Shareholders' Equity | $ 23,477,000 | $ 20,634,000 |

## The Goodyear Tire & Rubber Company

1144 East Market Street
Akron, Ohio 44316-0001
(216) 796-2121

**Officers:** Robert E. Mercer, chairman; Tom H. Barrett, president & chief executive officer; Jacques R. Sardas, exec. v.p.; F. Vincent Prus, exec. v.p.; Oren G. Shaffer, exec. v.p.; Hoyt M. Wells, exec. v.p.; Stanley J. Mihelick, exec. v.p.; Robert W. Milk, exec. v.p.; Eugene R. Culler, Jr., exec. v.p.; William L. Newkirk, Frederick J. Kovac, v.p.; Frank R. Tully, v.p.; Robert M. Hehir, v.p.; Earl W. Dahl, v.p.; Dennis E. Dick, v.p.; James W. Barnett, v.p.; Nissim Calderonnn, v.p.; William J. Sharp, v.p.; James K. Devoe, v.p.; Welton Birdwell, v.p.; John M. Ross, v.p. & general counsel; James Boyazis, v.p. & secretary; George R. Hargreaves, Jr., v.p. & treasurer; Lee N. Fiedler, v.p.; Ludwig H. Seidenthal, v.p. & comptroller; Jesse T. Williams, Sr., v.p.; Robert M. Gossett, v.p.; Robert P. Easton, asst. treasurer; Richard W. Hauman, asst. treasurer; Patricia A. Kemph, asst. secretary; Hayes A. Jenkins, asst. secretary; Joseph H. Gilchrist, asst. comptroller; H. Jay Elliott, asst. comptroller; George E. Strickler, asst. comptroller; Ronald C. Houser, asst. comptroller; Clifford R. Brown, asst. comptroller.

**Directors:** Robert E. Mercer, chairman; Tom H. Barrett, Thomas H. Cruikshank, Stanley C. Gault, Gertrude G. Michelson, Steven A. Minter, Charles W. Parry, Robert H. Platt, Agnar Pytte, F. Vincent Prus, Jacques R. Sardas, Oren G. Shaffer, Lloyd B. Smith, William C. Turner, Hoyt M. Wells.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

**Stock Exchange(s):** New York, Midwest, Pacific, Tokyo

**Ticker Symbol:** GT (NYSE)

**Number of Retail Outlets:**

1988 ..... 2,200*

*Figure approximate.

**Sales & Earnings**

| | Net Sales † | Net Income |
|---|---|---|
| 1988 | $10,810,400,000 | $ 350,100,000 |
| 1987 | 9,905,200,000 | 770,900,000 |
| 1986 | 9,040,000,000 | 124,100,000 |
| 1985 | 8,341,100,000 | 412,400,000 |
| 1984 | 8,445,900,000 | 411,000,000 |

| | No. of Com. Shares | Earn. per Share + |
|---|---|---|
| 1988 | 57,430,526 | $ 6.11 |
| 1987 | 56,986,579 | 12.73 |
| 1986 | 97,080,482 | 1.16 |
| 1985 | 108,110,085 | 3.84 |
| 1984 | 106,492,709 | 3.87 |

† Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Tires | $ 7,927,000 | $ 7,305,100 |
| Rel. transportatin prods. | 1,365,000 | 1,261,900 |
| Industr. rubber, chemical & plastic prods. | 1,442,000 | 1,245,600 |
| Oil transportation | 7,900 | 17,000 |
| Other prods. & serv. | 68,500 | 75,600 |
| Total | $ 10,810,400 | $ 9,905,200 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.70 | — | — |
| 1987 | 1.60 | — | |
| 1986 | 1.60 | — | — |
| 1985 | 1.60 | — | — |
| 1984 | 1.50 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $2,027,100,000 | $ 35.30 |
| 1987 | 1,834,400,000 | 32.19 |
| 1986 | 3,002,600,000 | 30.93 |
| 1985 | 3,507,400,000 | 32.44 |
| 1984 | 3,171,300,000 | 29.78 |

**Income Account ***
(000's)

| Year Ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 10,810,400 | $ 9,905,200 |
| Other income | 184,500 | 179,900 |
| Total income | $ 10,994,900 | $ 10,085,100 |
| Cost of sales | 8,291,000 | 7,374,600 |
| Expenses | 1,745,100 | 1,634,900 |
| Minority interest | 19,200 | 16,800 |
| Interest expense | 238,000 | 282,5003 |
| Unusual items | 78,800 | (135,000) |
| For. curr. exchange | 85,300 | 38,900 |
| Income before taxes | $ 537,500 | $ 872,400 |
| Income taxes | 187,400 | 358,500 |
| Income from cont. oper. | $ 350,100 | $ 513,900 |
| Income from discont. oper. | — | 257,000 |
| Net Income | $ 350,100 | $ 770,900 |

* Included in Costs and Expenses, Depreciation: $357,100,000 in 1988 and $382,400,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 234,100 | $ 200,500 |
| Accts. receiv., net | 1,578,400 | 1,501,300 |
| *Inventories | 1,635,500 | 1,501,400 |
| Prepaid expenses | 109,900 | 101,300 |
| Current Assets | $ 3,557,900 | $ 3,304,500 |

| | | |
|---|---|---|
| Investments in affil. | 122,300 | 107,600 |
| Accts. & notes receiv. | 313,700 | 354,000 |
| #Fixed assets | 4,427,400 | 4,128,300 |
| Deferred pension plan cost | — | 373,100 |
| Defer. charges | 197,000 | 128,400 |
| Total Assets | $ 8,618,300 | $ 8,395,900 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Notes payable | $ 354,200 | $ 244,000 |
| Long-term debt, curr. | 172,600 | 90,200 |
| Accts. payable | 781,300 | 821,900 |
| Accrued payroll & other comp. | 412,200 | 322,900 |
| Other curr. liab. | 347,200 | 375,900 |
| Income taxes | 391,000 | 284,700 |
| Current Liabilities | $ 2,458,500 | $ 2,139,600 |
| Long-term debt & cap. leases | 3,044,800 | 3,382,400 |
| Minority interest | 96,800 | 83,500 |
| Deferred inc. taxes | 555,400 | 679,300 |
| Other liabilites | 435,700 | 376,700 |
| +Common stock | 57,400 | 57,000 |
| Add. paid-in capital | 29,300 | 11,200 |
| Retained earnings | 2,175,400 | 1,922,600 |
| For. curr. trans. adjust. | (235,000) | (156,400) |
| Total Liabilities & Shareholders' Equity | $ 8,618,300 | $ 8,395,900 |

* At lower of cost or market. Domestic inventories at LIFO; all others at average cost.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 4.97 | — |
| % Net Income to Sales | 3.24 | — |
| % Net Income to Equity | 17.27 | 42.02 |
| Sales to Inventories | 6.61 | 6.60 |
| Debt to Equity | 1.76 | 1.97 |
| Working Capital | $ 1,099,400,000 | $ 1,164,900,000 |
| Current Ratio | 1.45 | 1.54 |
| Shareholders Equity | $ 2,027,100,000 | $ 1,834,400,000 |

## Gordon Jewelry Corporation

(Acquired by Zale Corporation on June 27, 1989.)

820 Pannin Street
Houston, Texas 77002
(713) 222-8080

**Officers:** Harry B. Gordon, co-chairman; Aron S. Gordon, co-chairman; Daniel P. Gordon, president & chief exec. officer; W. Lowry Barfield, vice-chairman, chief financial officer & secretary; James C. Gordon, exec. v.p. & chief operating officer; Douglas B. Gordon, exec. v.p.; Stanley J. Hoffman, sr. v.p.-credit administration; Morton Levin, sr. v.p.-traditional store operations; Robert W. Bridel, sr. v.p.-contemporary store operations; Vincent Ambriola, sr. v.p.-corporate information management; Walter H. Harvey, sr. v.p. & treasurer; Gary D. Walther, controller; Nelda R. Brister, asst. secretary & asst. treasurer.

**Directors:** Harry B. Gordon, Aron S. Gordon, James C. Gordon, W. Lowry Barfield, Daniel P. Gordon, Jack S. Blanton, Roy L. Dye, Jr., Arnold M. Miller, Douglas B. Gordon, L. William Heiligbrodt, Andrew H. Tisch.

**Business Activities:** Operates a chain of jewelry stores throughout the United States and Puerto Rico. The names of the company's traditional jewelry stores are: Lawton's, Linz Bros., Mermod-Jaccard-King, D.P. Paul, Rost, Sweeney's and J. Herbert Hall Jewelers. The names of the company's contemporary jewelry stores are: Gordon's Jewelers and Daniel's Jewelers.

**Divisions:**

Contemporary Jewelry Stores Division
Operates 420 Gordon's stores in 41 states and Puerto Rico, and 14 Daniel's stores in Arizona.

Traditional Jewelry Stores Division
Operates 181 jewelry stores in 26 states.

**Number of Stores:** (at fiscal year end)

| | Jewelry Stores | Catalog Showrooms |
|---|---|---|
| 1988 | 615 | — |
| 1987 | 613 | — |
| 1986 | 603 | 58 |
| 1985 | 599 | 56 |
| 1984 | 605 | 55 |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1988 | $ 389,558,895 | $ (14,416,053) |
| 1987 | 388,913,349 | (19,223,665) |
| 1986 | 370,257,998 | 13,449,907 |
| 1985 | 367,567,998 | 8,480,241 |
| 1984 | 366,266,850 | 27,338,600 |

| | No. of Com. Shares ‡ | Earn. per Share # |
|---|---|---|
| 1988 | 8,460,990 | $ — |
| 1987 | 10,471,534 | — |
| 1986 | 10,503,884 | 1.24 |
| 1985 | 11,337,374 | 0.72 |
| 1984 | 11,765,301 | 2.33 |

(Loss)
+ Of continuing operations only.
‡ Adjusted to reflect stock split.
# Based on the average number of common shares and common equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1988 | 1987 |
|---|---|---|
| Contemporary stores | $ 253,476,667 | $ 251,988,319 |
| Traditional stores | 136,082,228 | 136,925,030 |
| Total | $ 389,558,895 | $ 388,913,349 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.52 | — | — |
| 1987 | 0.52 | — | |
| 1986 | 0.52 | — | — |
| 1985 | 0.51 | — | — |
| 1984 | 0.465 | — | 4-for-3 |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 174,694,501 | $ 20.65 |
| 1987 | 224,563,605 | 21.45 |
| 1986 | 249,795,586 | 23.78 |
| 1985 | 255,705,734 | 22.55 |
| 1984 | 260,388,634 | 22.13 |

‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended Aug. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 389,558,895 | $ 388,913,349 |
| Cost of sales | 215,737,936 | 230,226,759 |
| Prov. for inventory valuation allow. | — | 15,000,000 |
| Expenses | 126,411,783 | 123,075,845 |
| Prov. for doubtful accts. | 21,917,811 | 22,244,064 |
| Interest expense | 13,136,874 | 8,713,522 |
| Loss on asset retirements | 3,186,878 | 1,860,235 |
| Prov. for asset write-off | 33,660,666 | — |
| Loss bef. taxes | $ (24,493,053) | $ (12,207,076) |
| Tax credit | (10,077,000) | (5,765,447) |
| Loss - cont. oper. | $ (14,416,053) | $ (6,441,629) |
| Loss - discont. oper. | — | (12,782,036) |
| Net Loss | $ (14,416,053) | $ (19,223,665) |

* Included in Costs and Expenses, Depreciation and Amortization: $8,941,529 in 1988 and $7,835,168 in 1987.

**Assets**

| As of Aug. 31 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 7,652,596 | $ 8,126,935 |
| Accts. receiv., net | 114,480,696 | 122,547,782 |
| Other receiv. | 5,996,856 | 12,839,519 |
| *Inventories | 180,395,039 | 221,450,113 |
| Prepaid expenses | 433,363 | 699,672 |
| Current Assets | $ 308,958,590 | $ 365,664,021 |
| #Fixed assets | 71,686,420 | 66,348,651 |
| Note receivable | — | 20,000,000 |
| Other assets | 4,085,020 | 5,796,182 |
| Total Assets | $ 384,730,030 | $ 458,008,854 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 123,360,714 | $ 127,132,205 |
| Accts. payable | 38,155,960 | 53,462,103 |
| Accruals | 16,027,276 | 14,004,409 |
| Income taxes | 3,435,291 | 4,136,521 |
| Curr. Liabilities | $ 180,979,241 | $ 198,735,238 |
| Long-term debt | 10,437,974 | 11,796,688 |
| Deferred in taxes | 18,618,314 | 22,911,323 |
| +Common stock | 11,767,544 | 11,765,544 |
| Add. paid-in capital | 24,899,705 | 24,876,805 |
| Retained earnings | 190,262,383 | 209,339,652 |
| Treasury stock | (52,235,131) | (21,418,396) |
| Total Liabilities & Shareholders' Equity | $ 384,730,030 | $ 458,008,854 |

* At lower of cost (LIFO & retail) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 2.16 | 1.76 |
| Debt to Equity | 0.77 | 0.62 |
| Working Capital | $ 127,979,349 | $ 166,928,783 |
| Current Ratio | 1.71 | 1.84 |
| Shareholders' Equity | $ 174,694,501 | $ 224,563,605 |

## Gottschalks Inc.

860 Fulton Mall
Fresno, California 93721
(209) 485-1111

**Officers:** Joe Levy, chairman & chief executive officer; Gerald H. Blum, president, secretary & chief operating officer; Robert E. Lawson, exec. v.p. & chief financial officer.

**Directors:** Joe Levy, chairman of the board; Gerald H. Blum, Sharon Levy, Bret Levy, Karen Blum, Joseph J. Penbera, Charles Johnson.

**Business Activities:** Operates a chain of 18 "Gottschalk's" department stores, 12 "Petites West" clothing stores for the petite woman, and 13 "Village East" clothing stores for the larger woman. All retail operations are in California.

**Subsidiary:**

E. Gottschalk & Company Inc.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company of California
50 California Street, Tenth Floor
San Francisco, California 94111

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** GOT

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 43 | 1986 | 28 |
| 1988 | 34 | 1985 | 28 |
| 1987 | 30 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 196,026,000 | $ 5,198,000 |
| 1987 | 156,623,000 | 5,648,000 |
| 1986 | 125,924,000 | 4,021,000 |
| 1985 | 112,785,000 | 3,005,000 |
| 1984 | 106,374,000 | 1,047,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 8,114,304 | $ 0.63 |
| 1987 | 8,539,329 | 0.69 |
| 1986 | 7,511,474 | 0.57 |
| 1985 | 5,500,000 | 0.55 |
| 1984 | 5,500,000 | 0.19 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | 2-for-1 ‡ |

‡ Declared Mar., 1987.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 49,717,000 | $ 6.13 |
| 1987 | 49,622,000 | 5.81 |
| 1986 | 29,605,000 | 3.94 |
| 1985 | 10,861,000 | 1.97 |
| 1984 | 7,869,000 | 1.43 |

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 196,026,000 | $ 156,622,712 |
| Other income | 6,183,000 | 6,195,944 |
| Total income | $ 202,209,000 | $ 162,818,656 |
| Cost of sales | 129,731,000 | 104,778,958 |
| Expenses | 56,648,000 | 44,391,741 |
| Depreciation & amortization | 2,441,000 | 1,791,622 |
| Interest expense | 5,299,000 | 2,969,258 |
| Income before taxes | $ 8,090,000 | $ 8,887,077 |
| Income taxes | 3,058,000 | 3,928,000 |
| Cum. effect of acct. change | (166,000) | (689,256) |
| Net Income | $ 5,198,000 | $ 5,648,333 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 868,000 | $ 1,584,643 |
| Market. secur | — | 2,511,041 |
| Accts. receiv., net | 48,940,000 | 41,147,792 |
| *Inventories | 30,597,000 | 21,372,795 |
| Other curr. assets | 6,146,000 | 4,332,241 |
| Current Assets | $ 86,551,000 | $ 70,948,512 |
| #Fixed assets | 52,754,000 | 38,577,328 |
| Intangibles | 2,450,000 | 2,625,161 |
| Other assets | 300,000 | 191,878 |
| Total Assets | $ 142,055,000 | $ 112,342,879 |

**Liabilities**

| | | |
|---|---|---|
| Revolv. credit line | $ 20,700,000 | $ 14,000,000 |
| Long-term debt, curr. | 1,900,000 | 726,267 |
| Accts. payable | 6,189,000 | 4,692,319 |
| Accruals | 7,858,000 | 6,970,210 |
| Accrued payroll | 1,676,000 | 1,396,484 |
| Income taxes | 2,919,000 | 2,326,198 |
| Deferred income taxes | 2,960,000 | 5,005,858 |
| Curr. Liabilities | $ 44,202,000 | $ 35,117,336 |
| Long-term debt | 40,128,000 | 25,473,148 |
| Deferred revenue | 5,105,000 | 1,285,846 |
| Deferred inc. taxes | 1,570,000 | 555,195 |
| Def. gain - sale/leaseback | 866,000 | — |
| Other deferred liab. | 467,000 | 289,566 |
| +Common stock | 81,000 | 85,393 |
| Add. paid-in capital | 24,158,000 | 29,255,841 |
| Retained earnings | 25,478,000 | 20,280,554 |
| Total Liabilities & Shareholders' Equity | $ 142,055,000 | $ 112,342,879 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.13 | 5.67 |
| %Net Income to Sales | 2.65 | 3.61 |
| %Net Income to Equity | 10.46 | 11.38 |
| Sales to Inventories | 6.41 | 7.33 |
| Debt to Equity | 0.85 | 0.53 |
| Working Capital | $ 42,349,000 | $ 35,831,176 |
| Current Ratio | 1.96 | 2.02 |
| Shareholders' Equity | $ 49,717,000 | $ 49,621,788 |

## Grafton Group Limited

(51% of the common shares owned by Greywinds Investments Limited)

9 Sunlight Park Road
P.O. Box 108, Postal Station G
Toronto, Ontario, M4M 3G1, Canada
(416) 461-9411

**Officers:** W. A. Heaslip, chairman, chief executive officer & president; G. A. Reynolds, v.p.-finance, secretary & treasurer; A. L. Lucas, president & chief operating officer-Grafton-Fraser Inc. & Elks Inc.; J. F. Seifert, chairman & chief executive officer-Seifert's; R. E. Vanderlinden, president-Seifert's; R. L. Holland, president & chief operating officer-Maher Inc.; M. Mewha, president-Toby Canada Inc..

**Directors:** William A. Heaslip*, chairman; William F. James, James W. McCutcheon*, H. John McDonald*, George A. Reynolds*, David B. Weldon*, Douglas C. Woolley.

* Member of the Executive Committee

**Business Activities:** The Company is a specialty retailer of apparel and footwear. In Canada, men's and boys' wear is sold through licensed departments in 121 Woolco Department Stores. Menswear is sold through 169 Jack Fraser, 22 Grafton & Co., 61 Elks, and 28 George Richards Kingsize Clothes stores. Womenswear is sold through 108 Loft Departments, 43 Sideffects stores, and three International Zone stores. Fashion coordinated casual wear is sold through 57 Dapper Dan and Bimini stores. Leisurewear for men, women and children is sold through 11 Baja Beach Club stores. Footwear is sold in 243 shoe stores through Maher, Julia, Footpath and licensed departments. A variety of merchandise is sold at discount prices through 20 Apparel Clearance Centers and 46 Nabour Stores. The Company also owns a home furnishings company which manufactures and wholesales bedroom and bathroom decorative products.

In the United States, the Company operates 221 ladieswear stores under the Siefer's, La Vogue by Seifert's, Mark Henri, and Seifert's Plus names in 26 states.

**Divisions and Subsidiaries:**

Jack Fraser Stores
Grafton-Fraser, Inc.
Grafton & Co.
George Richards Kingsize Clothes Limited (50%-owned)
Toby Industries Limited
Grafton Realty Company, Limited
Maher Inc.
James B. McGregor
Forsyth Trading Company Limited (joint venture; 26.67% interest)
Seifert's Incorporated
Elks Inc. (66⅔%-owned)
Nabour Stores Ltd.

**Transfer Agent(s):**

Central Guaranty Trust Company of Canada

**Stock Exchange(s):** Toronto

**Ticker Symbol:** GFG T

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 1,153 | 1986 | 1,003 |
| 1988 | 1,123 | 1985 | 925 |
| 1987 | 1,135 | | |

**Sales & Earnings**

| | Net Sales † | Net Income + |
|---|---|---|
| 1989 | $ 639,370,000 | $ 8,860,000 |
| 1988 | 627,729,000 | (3,186,000) |
| 1987 | 594,212,000 | 22,700,000 |
| 1986 | 504,008,000 | 26,373,000 |
| 1985 | 461,954,000 | 23,272,000 |

| | No. of Com. Shares ‡ | Earn. per Share +‡ |
|---|---|---|
| 1989 | 18,738,000 | $ 0.40 |
| 1988 | 18,738,000 | — |
| 1987 | 18,738,000 | 1.13 |
| 1986 | 18,738,000 | 1.32 |
| 1985 | 18,738,000 | 1.16 |

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $526,000 ($0.03 per share) in 1989; $127,000 ($0.01 per share) in 1987, $886,000 ($0.04 per share) in 1986 and $728,000 ($0.04 per share) in 1985.
‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Retail: | | |
| Apparel | $ 547,319,000 | $ 540,691,000 |
| Footwear | 75,842,000 | 69,803,000 |
| Home furnishings | 16,209,000 | 17,235,000 |
| Total | $ 639,370,000 | $ 627,729,000 |

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.32 | — | — |
| 1988 | 0.32 | — | — |
| 1987 | 0.30 | — | — |
| 1986 | 0.23 | — | 3-for-1 |
| 1985 | 0.21 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity # | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 132,956,000 | $ 7.10 |
| 1988 | 135,056,000 | 7.21 |
| 1987 | 147,485,000 | 7.87 |
| 1986 | 132,368,000 | 7.06 |
| 1985 | 108,461,000 | 5.79 |

# After allowing for preferred stock at redemption value.
‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

## Grafton Group Limited

**Income Account (000's)**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales: | | |
| Retail | $ 623,161 | $ 610,494 |
| Homefurnishings | 16,209 | 17,235 |
| Total income | $ 639,370 | $ 627,729 |
| Cost of sales & expenses | 541,803 | 540,082 |
| Rental expense | 65,701 | 62,554 |
| Depreciation | 15,494 | 14,247 |
| Amortization of cost | 474 | 777 |
| Interest expense | 9,721 | 7,568 |
| Other income | (4,137) | (4,260) |
| For. exch. gain | (61) | (277) |
| Gain on sale of secur. | (555) | (148) |
| Prov. for loss on oil prop. | 901 | 759 |
| Gain on sale of land & bldg. | (745) | — |
| Income before taxes | $ 10,774 | $ 6,427 |
| Income taxes (credit) | 3,589 | (617) |
| Minority interest | (429) | (356) |
| Inc.-cont. oper. | $ 7,614 | $ 7,400 |
| Inc. (loss)-discont. oper. | 720 | (10,586) |
| Net Income (Loss) | $ 8,334 | $ (3,186) |
| Extraordinary gain | 526 | — |
| Net Income (Loss) & extraord. gain | $ 8,860 | $ (3,186) |

**Assets (000's)**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 52,068 | $ 21,757 |
| Marketable securities | 26,190 | 32,789 |
| Accts. receiv., net | 31,694 | 26,254 |
| Recov. inc. taxes | 8,704 | 6,354 |
| Deferred income taxes | 2,355 | 4,074 |
| *Inventories | 96,027 | 81,284 |
| Prepaid exp. & deposits | 3,127 | 2,594 |
| Current Assets | $ 220,165 | $ 175,106 |
| Investments | 14,371 | 15,441 |
| #Fixed assets | 77,412 | 73,571 |
| Unamort. fin. costs | 83 | 102 |
| Intangibles | 11,471 | 12,573 |
| Total Assets | $ 323,502 | $ 276,793 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt | $ 564 | $ 622 |
| Cap. lease oblig., curr. | 997 | 995 |
| Bank advances | 2,609 | — |
| Accts. payables & accruals | 123,804 | 71,873 |
| Income & other taxes | 881 | 884 |
| Curr. Liabilities | $ 128,855 | $ 74,374 |
| Long-term debt | 33,687 | 37,309 |
| Cap. lease oblig. | 3,865 | 5,140 |
| Minority interest | 3,383 | 3,289 |
| Deferred inc. taxes | 3,611 | 3,231 |
| +Preferred stock | 1,626 | 1,690 |
| ++Class A shares | 6,483 | 6,483 |
| +++Common stock | 1,621 | 1,621 |
| For. curr. adjust. | (1,822) | 1,735 |
| Retained earnings | 142,193 | 141,321 |
| Total Liabilities & Shareholders' Equity | $ 323,502 | $ 276,793 |

* Retail inventories at lower of cost and net realizable value, less normal profit margin. Raw materials at lower of cost and replacement cost.
# Less accumulated depreciation.
+ No par value; $3 cumulative.
++ No par value; non-voting.
+++ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 5.55 | — |
| Sales to Inventories | 6.66 | 7.72 |
| Debt to Equity | 0.26 | 0.29 |
| Working Capital | $ 91,310,000 | $ 100,732,000 |
| Current Ratio | 1.71 | 2.35 |
| Shareholders' Equity | $ 150,101,000 | $ 152,850,000 |

## Grand Auto, Inc.

7200 Edgewater Drive
Oakland, California 94621
(415) 568-6500

(Acquired by PACCAR Investment, Inc., a wholly owned subsidiary of PACCAR Inc., on June 1, 1988.)

**Officers:** Irving E. Krantzman, chairman of the board; Thomas F. Herman, president & chief exec. officer; Merle Krantzman, Jr., sr. v.p.-marketing; Gary Hill, v.p. & chief financial officer; R.J. Micheletti, v.p.-industrial relations/personnel; Donald J. Nickols, sr. v.p.-operations; Bruce J. Levitin, sr. v.p.-administration; Ellington Owensby, v.p.-construction/property; Daniel C. Santo, v.p.-tires, batteries and accessories; Clayton Church, v.p.-real estate; Robert Kalinio, v.p.-distribution; R.N. Stefan, secretary.

**Directors:** Irving E. Krantzman, chairman; Marvin E. Bruce, Max Brown, Hugh M. Tama, Gary J. Shapiro, Theodore F. Garfinkle.

**Business Activities:** Operates a chain of company-owned automotive supply stores, under the names Grand Auto and Top Auto, in California, Nevada, Washington and Alaska.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 107 | 1985 | 86 |
| 1987 | 113 | 1984 | 84 |
| 1986 | 113 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 172,463,000 | $ (5,695,000) |
| 1987 | 165,842,000 | 4,912,000 |
| 1986 | 167,658,000 | 2,564,000 |
| 1985 | 154,282,000 | 4,877,000 |
| 1984 | 139,503,000 | 5,089,000 |

| | No. of Com. Shares + | Earn. per Share † # |
|---|---|---|
| 1988 | 3,074,965 | $ — |
| 1987 | 3,074,865 | 1.60 |
| 1986 | 3,074,865 | 0.84 |
| 1985 | 2,996,865 | 1.63 |
| 1984 | 2,983,665 | 1.71 |

(Loss)
† Including extraordinary gain of $5,048,000 ($1.64 per share) in 1987.
+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.10 | — | |
| 1986 | 0.40 | — | — |
| 1985 | 0.37 | — | — |
| 1984 | 0.26 | — | 3-for-1 |

# Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 31,142,000 | $ 10.13 |
| 1987 | 36,835,000 | 11.96 |
| 1986 | 32,230,000 | 10.48 |
| 1985 | 29,774,000 | 9.94 |
| 1984 | 25,908,000 | 8.68 |

# Adjusted to reflect stock split.

**Income Account**

| Year ended | 1/31/88 | 1/25/87 |
|---|---|---|
| Net sales | $ 172,463,000 | $ 165,842,000 |
| Cost of sales | 122,470,000 | 112,023,000 |
| Expenses | 52,712,000 | 47,204,000 |
| Depreciation & amortization | 4,250,000 | 3,894,000 |
| Interest expense | 2,591,000 | 2,973,000 |
| Loss bef. taxes | $ (9,560,000) | $ (252,000) |
| Tax credit | (3,865,000) | (116,000) |
| Net Loss | $ (5,695,000) | $ (136,000) |
| Extraord. gain | — | 5,048,000 |
| Net Loss & extraord. gain | $ (5,695,000) | $ 4,912,000 |

**Assets**

| As of | 1/31/88 | 1/25/87 |
|---|---|---|
| Cash | $ 2,719,000 | $ 3,171,000 |
| Accts. receiv., net | 10,311,000 | 10,447,000 |
| Inc. taxes refund. | 2,992,000 | 101,000 |
| *Inventories | 42,735,000 | 39,436,000 |
| Prepaid expenses | 2,647,000 | 2,220,000 |
| Assets held for sale | 2,062,000 | — |
| Current Assets | $ 63,466,000 | $ 55,375,000 |
| #Fixed assets | 28,482,000 | 32,565,000 |
| Other assets | 1,470,000 | 1,445,000 |
| Total Assets | $ 93,418,000 | $ 89,385,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 12,368,000 | $ 1,651,000 |
| Accts. payable | 15,307,000 | 9,725,000 |
| Accurals | 13,025,000 | 11,216,000 |
| Income taxes | — | 2,443,000 |
| Other taxes | 1,441,000 | 2,096,000 |
| Curr. Liabilities | $ 42,141,000 | $ 27,131,000 |
| Long-term debt | 12,274,000 | 18,465,000 |
| Oblig. under cap. leases | 5,742,000 | 5,964,000 |
| Def. inc. taxes & other | 2,119,000 | 990,000 |
| +Common stock | 5,391,000 | 5,389,000 |
| Retained earnings | 25,751,000 | 31,446,000 |
| Total Liabilities & Shareholders' Equity | $ 93,418,000 | $ 89,385,000 |

* At cost (LIFO).
# Less accumulated depreciation & amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.04 | 4.21 |
| Debt to Equity | 0.98 | 0.50 |
| Working Capital | $ 21,325,000 | $ 28,244,000 |
| Current Ratio | 1.51 | 2.04 |
| Shareholders' Equity | $ 31,142,000 | $ 36,835,000 |

## The Grand Union Company

(A wholly owned subsidiary of GU Acquisition Corporation, a private corp.)

201 Willowbrook Boulevard
Wayne, New Jersey 07470
(201) 890-6000

**Officers:** Floyd Hall, chairman of the board & chief exec. officer; Joseph J. McCaig, president & chief operating officer; Henry T. Johnson, exec. v.p. & chief administrative officer; William A. Louttit, exec. v.p.-merchandising; Robert Terrence Galvin, sr. v.p., chief financial officer & secretary; Bradley C. Johnson, sr. v.p.-real estate & development; William M. Reffett, sr. v.p.-personnel; Charles J. Barrett, v.p.-labor relations; Kenneth R. Baum, v.p. & controller; Jack Calderone, v.p.-meat merchandising; William Hoffert, v.p.-gen. mdse. merchandising; Roger W. Kennedy, v.p. & treasurer; William E. Kinslow, v.p.-mgmt. info. systems; William Lehrburger, v.p.-advertising; Brooke D. Lennon, v.p.-grocery merchandising; Ronald L. Lunde, v.p.-merchandise operations; Anthony P. Missi, v.p.-produce merchandising; Robert E. Mohel, v.p.-quality control; Robert J. Saba, v.p.-Northern Region; Bryan Springthorpe, v.p.-distribution; Darrell W. Stine, v.p.-New York Region; Craig C. Sturken, v.p.-Southern Region; Donald C. Vaillancourt, v.p.-corporate communications & consumer affairs.

**Directors:** Floyd Hall, chairman; Gilberte E. Beaux, Ian M. Duncan, Robert Terrence Galvin, Luce Gendry, Milton Glaser, Sir James Goldsmith, Bradley C. Johnson, Henry T. Johnson, William A. Louttit, Joseph J. McCaig, William M. Reffett, Jivan Tabibian, Jane von der Heyde.

**Business Activities:** Operates chains of four specific store types: supermarkets, community stores, food markets, and food centers.

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1988 | N.A. | 1986 | 371 |
| 1987 | 369 | 1985 | 383 |

N.A. - Not Available.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $2,716,896,000 | $ 43,405,000 |
| 1988* | 2,872,148,000 | 22,145,000 |
| 1987 | 2,745,553,000 | 34,125,000 |
| 1986 | 2,611,616,000 | 20,493,000 |
| 1985 | 2,529,392,000 | 5,328,000 |

| | No. of Com. Shares | Earn. per Share |
|---|---|---|
| 1989 | 801.5 | $ — |
| 1988* | 801.5 | — |
| 1987 | 801.5 | — |
| 1986 | 801.5 | — |
| 1985 | 801.5 | — |

* 53 weeks.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 274,992,000 | $ — |
| 1988 | 328,387,000 | — |
| 1987 | 197,088,000 | — |
| 1986 | 162,963,000 | — |
| 1985 | 142,470,000 | — |

**Income Account**
(000's)

| Year ended | 4/1/89 (53 weeks) | 4/2/88 |
|---|---|---|
| Net sales | $ 2,716,896 | $ 2,872,148 |
| Cost of sales | 2,039,525 | 2,182,366 |
| Expenses | 564,359 | 554,249 |
| Depreciation & amortization | 40,639 | 40,079 |
| Interest expense | 15,147 | 19,483 |
| Interest income | (308) | (1,133) |
| Inc. bef. taxes | $ 73,615 | $ 35,945 |
| Income taxes | 30,210 | 13,800 |
| Net Income | $ 43,405 | $ 22,145 |

**Assets**
(000's)

| As of | 4/1/89 | 4/2/88 |
|---|---|---|
| Cash | $ 7,493 | $ 8,297 |
| Accts. receiv., net | 23,406 | 28,467 |
| *Inventories | 234,862 | 223,541 |
| Prepaid inc. taxes | 19,736 | 16,883 |
| Prepaid expenses | 17,297 | 16,140 |
| Props. held for sale | 1,181 | 35,262 |
| Current Assets | $ 303,975 | $ 328,590 |
| #Fixed assets | 390,198 | 357,723 |
| Cost in exc. of assets acq. | 10,517 | 10,830 |
| Other assets | 8,514 | 4,601 |
| Total Assets | $ 713,204 | $ 701,744 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 18,089 | $ 3,966 |
| Accts. payable & accruals | 190,150 | 198,266 |
| Income taxes | 30,057 | 1,081 |
| Curr. Liabilities | $ 238,296 | $ 203,313 |
| Long-term debt | 69,604 | 46,533 |
| Cap. lease oblig. | 66,339 | 66,704 |
| Def. pension oblig. | 10,319 | 13,353 |
| Deferred inc. taxes | 22,901 | 23,882 |
| Other liabilities | 30,753 | 19,572 |
| +Common stock | 40,077 | 40,077 |
| Add. paid-in capital | 216,842 | 216,842 |
| Retained earnings | 18,073 | 71,468 |
| Total Liabilities & Shareholders' Equity | $ 713,204 | $ 701,744 |

* At lower of cost (LIFO & aveage) or market.
# Less accumulated depreciation.
+ $50,000 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.71 | 1.25 |
| %Net Income to Sales | 1.60 | 0.77 |
| %Net Income to Equity | 15.78 | 6.74 |
| Sales to Inventories | 11.57 | 12.85 |
| Debt to Equity | 0.56 | 0.36 |
| Working Capital | $ 65,679,000 | $ 125,277,000 |
| Current Ratio | 1.28 | 1.62 |
| Shareholders' Equity | $ 274,992,000 | $ 328,387,000 |

## GranTree Corporation

2501 S.W. First Avenue
P.O. Box 3210
Portland, Oregon 97208
(503) 223-1161

(Acquired by G Acquisition Corp, a private corporation formed to acquire the Company, on November 10, 1987.)

**Officers:** Andrew G. Galef, chairman of the board; Peter L. Gartman, chief executive officer & asst. secretary; Gary A. Kisling, president & chief operating officer; William A. Norris, v.p.-finance & treasurer.

**Directors:** Andrew G. Galef, chairman; Peter L. Gartman, Gary A. Kisling, Arne Kalm, Bruce I. Raben.

**Business Activities:** Operates 70 rental furniture showrooms and 20 retail furniture stores in nine western and southwestern states and Vancouver, British Columbia, Canada.

**Subsidiaries:**

GranTree Furniture Rental Corp.

Multiform Enterprises, Inc.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 20 | 1984 | 32 |
| 1986 | 29 | 1983 | 29 |
| 1985 | 28 | | |

**Sales & Earnings**

| | Revenues + | Net Income |
|---|---|---|
| 1987 | $ 81,320,000 | $ (2,859,000) |
| 1986 | 87,698,000 | (5,384,000) |
| 1985 | 91,088,000 | 163,000 |
| 1984 | 82,160,000 | 1,114,000 |
| 1983* | 74,867,000 | 1,202,000 |

| | No. of Com. Shares | Earn. per Share # |
|---|---|---|
| 1987 | 2,948,000 | $ — |
| 1986 | 2,918,000 | — |
| 1985 | 2,868,000 | 0.06 |
| 1984 | 2,857,000 | 0.39 |
| 1983* | 2,839,000 | 0.42 |

(Loss)
* 53 weeks.
# Based on the weighted average number of shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1987 | $ 13,855,000 | $ 4.70 |
| 1986 | 16,437,000 | 5.63 |
| 1985 | 21,563,000 | 7.52 |
| 1984 | 21,424,000 | 7.50 |
| 1983 | 20,448,000 | 7.20 |

**Income Account** *
(000's)

| Year ended Oct. 31 | 1987 | 1986 |
|---|---|---|
| Furniture rentals & fees | $ 50,982 | $ 48,569 |
| Sales of furniture | 30,338 | 39,129 |
| Total revenue | $ 81,320 | $ 87,698 |
| Cost of sales | 19,088 | 25,462 |
| Expenses | 58,254 | 59,976 |
| Interest expense | 2,245 | 2,330 |
| Reserve for restruc. costs | 5,990 | 9,395 |
| Loss before taxes | $ (4,257) | $ (9,465) |
| Tax credit | (1,398) | (4,081) |
| Net Loss | $ (2,859) | $ (5,384) |

* Included in Costs and Expenses, Depreciation and Amortization: $6,878,000 in 1987 and $6,609,000 in 1986.

**Assets**
(000's)

| As of Oct. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 490 | $ 612 |
| Furniture rental receiv., net | 1,040 | 197 |
| *Furniture purch. for sale | 4,096 | 5,257 |
| Rental furniture, net | 11,626 | 12,485 |
| Other curr. assets | 1,584 | 1,771 |
| Current Assets | $ 18,836 | $ 20,322 |
| Rental furniture, net | 28,799 | 26,973 |
| #Fixed assets | 3,812 | 5,007 |
| Other assets | 2,725 | 2,531 |
| Total Assets | $ 54,172 | $ 54,833 |

| Liabilities (000's) | | |
|---|---|---|
| Long-term debt, curr. | $ 225 | $ 176 |
| Accts. payable & other | 8,244 | 6,048 |
| Income taxes | — | 383 |
| Restruc. costs | 4,122 | 1,653 |
| Current Liabilities | $ 12,591 | $ 8,260 |
| Long-term debt | 23,761 | 23,703 |
| Income taxes | — | 968 |
| Restruc. costs | 3,965 | 5,465 |
| +Common stock | 305 | 305 |
| Add. paid-in capital | 9,993 | 9,892 |
| Retained earnings | 4,390 | 7,249 |
| For. curr. trans. adjust. | (435) | (532) |
| Treasury stock | (398) | (477) |
| Total Liabilities & Shareholders' Equity | $ 54,172 | $ 54,833 |

* At lower of standard cost (average) or market.
# Less accumulated depreciation.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Debt to Equity | 1.73 | 1.45 |
| Working Capital | $ 6,245,000 | $ 12,062,000 |
| Current Ratio | 1.50 | 2.46 |
| Shareholders' Equity | $ 13,855,000 | $ 16,437,000 |

## The Great Atlantic & Pacific Tea Company, Inc.

Box 418
2 Paragon Drive
Montvale, New Jersey 07645
(201) 573-9700

(52.4% owned by Tengelmann Warenhandels-Gesellschaft)

**Officers:** James Wood, chairman of the board, president & chief exec. officer; James W. Rowe, vice chairman & asst. to the chief exec. officer; Martin H. Kern, exec. v.p.-gen. merchandise; Eckart C. Siess, vice chairman-strategic planning; Alan C. Goulding, sr. exec. v.p.-merchandising & distribution; Joseph H. McCarthy, exec. v.p.-store operations; Peter O'Gorman, sr. v.p.-development; Ivan K. Szathmary, sr. v.p. & chief services officer; Robert G. Ulrich, sr. v.p. & general counsel; Randall A. Bostwick, v.p. & president-Super Market Service Corporation; James B. Burmeister, v.p. & president-New Orleans Group; Timothy J. Courtney, v.p.-taxation; H. Nelson Lewis, v.p.-human resources; James L. Madden, v.p. & president-Mid-Atlantic Group; Peter Brooker, v.p.-planning & secretary; Fred Corrado, exec. v.p., treasurer & chief financial officer; Michael J. Rourke, v.p.-communications & corp. affairs; Burton J. Weinbaum, v.p.-Northeast Group; Caryle Sherwin, president-Midwest operations; Edward C. Mossop, chairman-A&P Canada; O. C. Cook, v.p.-meat & service departments; Jack DiFiore, v.p. & president-Fresh Food Markets; Paul Gallant, v.p. & president-Compass Foods; Peter R. Lavoy, v.p.-procurement; Frank Leonard, v.p.-real estate; Joseph Quirk, v.p.-labor relations; John D. Ryder, v.p.-marketing; Richard J. Scola, v.p. & asst. gen. counsel; Robert W. Toomey, v.p.-support services; J. Paul Stillwell, v.p. & pres.-southern operation; George Graham, v.p.-merchandising coordinator; Michael J. Larkin, v.p.-Metro New York Group; Herbert L. Whiteside, v.p.-Super Fresh of Virginia; Mary Ellen Offer, asst. secretary.

**Directors:** James Wood, chairman; Harold J. Berry, Walter D. Dance, Rosemarie Baumeister, Eckart C. Siess, Helga Haub, Christopher F. Edley, James W. Rowe, Paul C. Nagel, Jr., Barbara Barnes Hauptfuhrer, Fritz Teelen, Henry W. Van Baalen, Louis Sherwood.

**Business Activities:** Operates a chain of supermarkets under the A&P, Super Fresh, Kohl's, Pantry Pride, Dominion Waldbaum's, Shopwell, Food Emporium, Food Mart, Sav-A-Center, Sun, Future Stores, Compass Foods, Farmer Jack, and Family Mart names in the United States and Canada.

**Subsidiaries:**

Waldbaum, Inc.
Operates 139 supermarkets in the New York, Connecticut and Massachusetts area.

Shopwell, Inc.
Operates 53 supermarkets in the metropolitan New York area.

**Acquisition:**

Borman's, Inc.
18718 Borman Avenue
Detroit, Michigan 48228
(313) 270-1000
Operates 83 Farmer Jack supermarkets in Michigan.

**Transfer Agent(s):**

American Stock Transfer Co.
New York, New York

**Stock Exchange(s):** New York, Boston*, Cincinnati*, Midwest*, Philadelphia*, Pacific* *Unlisted trading privileges.

**Ticker Symbol:** GAP

**Approximate Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,210 | 1985 | 1,045 |
| 1987 | 1,200 | 1984 | 1,000 |
| 1986 | 1,200 | | |

NOTE: There is no income account or balance sheet available for this company.

**Sales & Earnings**

| | Net Sales (000's) | Net Income † (000's) |
|---|---|---|
| 1988 | $ 10,068,000 | $ 127,600 |
| 1987 | 953,100 | 103,400 |
| 1986* | 7,834,900 | 69,000 |
| 1985 | 6,615,400 | 56,100 |
| 1984 | 5,878,300 | 38,800 |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 38,200,000 | $ 3.34 |
| 1987 | 38,140,000 | 2.71 |
| 1986* | 38,070,000 | 1.82 |
| 1985 | 37,940,000 | 1.48 |
| 1984 | 37,670,000 | 1.03 |

* 53 weeks.
† Including extraordinary gains of $26,000,000 ($0.68 per share) in 1986, $32,200,000 ($0.85 per share) in 1985 and $165,000,000 ($4.39 per share) in 1984.
‡ Based on the weighted average number of shares outstanding each year.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.58 | — | — |
| 1987 | 0.48 | — | — |
| 1986 | 0.40 | — | — |
| 1985 | 0.10 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 970,800,000 | $ 25.42 |
| 1987 | 851,300,000 | 22.32 |
| 1986 | 755,700,000 | 19.85 |
| 1985 | 668,700,000 | 17.63 |
| 1984 | 583,000,000 | 15.48 |

## Greenman Bros. Inc.

105 Price Parkway
Farmingdale, New York 11735
(516) 293-5300

**Officers:** Bernard Greenman, chairman of the board; Stanley Greenman, vice chairman, chief exec. officer & treasurer; Stewart Katz, president, chief operating officer & asst. secretary; William A. Johnson, Jr., v.p., controller & acting chief financial officer; Alan Chaikin, chairman & chief exec. officer-Circus World Toy Stores, Inc..

**Directors:** Bernard Greenman*, Stewart Katz*, Jack Greenman, Stanley Greenman*, Stanley Strocker*, Joshua Biblowitz, Jerry Kassel, Benjamin Zdatny, Alan Chaikin, Howard Kaufman.

* Member of the Executive Committee

**Business Activities:** Operates a chain of 326 toy specialty stores located in shopping malls in 31 states under the names "Circus World" and "Playland." Also operates four free-standing "Playworld" retail toy stores and six leased toy departments in New York, and four leased "Playworld" toy departments in Michigan and New York. Also engaged in wholesaling of toys, games, hobbycrafts, housewares and stationery in New York, New Jersey, Florida, Georgia and Indiana.

**Subsidiary:**

Circus World Toy Stores, Inc.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York

**Stock Exchange(s):** American

**Ticker Symbol:** GMN

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 326 | 1985 | 304 |
| 1987 | 334 | 1984 | 78 |
| 1986 | 332 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 266,706,000 | $ 1,804,000 |
| 1988 | 242,701,000 | (2,863,000) |
| 1987 x | 244,238,000 | (3,507,000) |
| 1986 x | 218,009,000 | 7,020,000 |
| 1985 | 172,879,000 | 7,069,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 6,004,788 | $ 0.30 |
| 1988 | 5,994,273 | — |
| 1987 x | 5,968,586 | — |
| 1986 x | 5,583,169 | 1.26 |
| 1985 | 4,760,675 | 1.48 |

(Loss)
x Restated to reflect change in accounting for income taxes.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | 5-for-4 |
| 1926 | — | — | — |
| 1985 | — | — | 4-for-3 & 5-for-4 |

Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 53,171,000 | $ 8.85 |
| 1988 | 51,366,000 | 8.57 |
| 1987 x | 54,195,000 | 9.08 |
| 1986 x | 57,899,000 | 10.37 |
| 1985 | 28,717,000 | 6.03 |

x Restated.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 266,706,000 | $ 242,701,000 |
| Cost of sales | 171,396,000 | 160,123,000 |
| Expenses | 81,482,000 | 78,858,000 |
| Depreciation | 6,445,000 | 6,741,000 |
| Interest expense | 4,346,000 | 3,946,000 |
| Inc. (loss) bef. taxes | $ 1,037,000 | $ (6,967,000) |
| Income taxes (credit) | 233,000 | (3,055,000) |
| Cum. effect of accntg. change | — | (1,049,000) |
| Net Income (Loss) | $ 1,804,000 | $ (2,863,000) |

Assets

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 3,090,000 | $ 2,011,000 |
| Accts. receiv., net | 12,264,000 | 14,971,000 |
| *Inventories | 57,895,000 | 59,775,000 |
| Recoverable income taxes | — | 2,102,000 |
| Other curr. assets | 2,909,000 | 2,834,000 |
| Current Assets | $ 76,158,000 | $ 81,693,000 |
| #Fixed assets | 30,267,000 | 34,716,000 |
| Other assets | 3,793,000 | 3,880,000 |
| Total Assets | $ 110,218,000 | $ 120,289,000 |

Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ — | $ 336,000 |
| Cap. lease oblig., curr. | 40,000 | 40,000 |
| Accts. payable | 22,064,000 | 19,405,000 |
| Accruals | 8,879,000 | 3,437,000 |
| Inc. taxes pay. | 2,234,000 | — |
| Curr. Liabilities | $ 33,217,000 | $ 39,218,000 |
| Long-term debt | 20,000,000 | 26,000,000 |
| Cap. lease oblig. | 896,000 | 936,000 |
| Def. taxes on income | 2,934,000 | 2,769,000 |
| + Common stock | 602,000 | 602,000 |
| Add. paid-in capital | 25,118,000 | 25,117,000 |
| Retained earnings | 27,656,000 | 25,852,000 |
| Treasury stock | (205,000) | (205,000) |
| Total Liabilities & Shareholders' Equity | $ 110,218,000 | $ 120,289,000 |

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.14 | — |
| %Net Income to Sales | 0.68 | — |
| %Net Income to Equity | 3.39 | — |
| Sales to Inventories | 4.61 | 4.06 |
| Debt to Equity | 0.39 | 0.53 |
| Working Capital | $ 42,941,000 | $ 42,475,000 |
| Current Ratio | 2.29 | 2.08 |
| Shareholders' Equity | $ 53,171,000 | $ 51,366,000 |

## Grossman's Inc.

(formerly Evans Products Company)

200 Union Street
Braintree, Massachusetts 02184-4997
(617) 848-0100

**Officers:** Maurice Grossman, chairman of the board, president & chief executive officer; Stanley G. Berman, exec. v.p.-administration; Everett P. Grossman, exec. v.p.-real estate and development; Robert L. Harrow, exec. v.p. & president-Eastern region; Sidney L. Katz, exec. v.p., chief financial officer & treasurer; Frank J. Lynch, exec. v.p. & gen. mgr.-Southwest Division; Robert S. Pacos, exec. v.p. & gen. mgr.-Northwest Division; Norman Darrer, exec. v.p. & gen. mgr.-Moore's Division; Richard L. Dawley, v.p. & controller; Robert L. Flowers, v.p.-real estate; Richard E. Kent, v.p., secretary & general counsel; Arthur S. Ryan, v.p. & director-corp. taxes; Michael S. Bergman, v.p. & dir.-management information systems; Edward J. Vozzella, asst. treasurer.

**Directors:** Maurice Grossman, chairman of the board; Russell Cox, John Grey, Leo Kahn, Thomas M. Macioce, Robert Swanson, Harold Tanner, Alan Washkowitz, Abraham Zaleznik.

**Business Activities**
Operates 246 building materials and home improvement stores in 17 states under the names "Grossman's" and "Moore's." More than half of the Company's stores are located in the Northeast.

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007-1815

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** GROS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 246 | 1985 | 276 |
| 1987 | 258 | 1984 | 306 |
| 1986 | 272 | | |

Sales & Earnings

| | Net Sales + | Net Income † |
|---|---|---|
| 1988* | $ 1,141,602,000 | $ 13,235,000 |
| 1987 | 1,077,297,000 | 17,840,000 |
| 1986 | 1,006,664,000 | 152,137,000 |
| 1985 | 875,587,000 | (232,807,000) |
| 1984 | 939,022,000 | (31,188,000) |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1988* | 26,133,000 | $ 0.50 |
| 1987 | 26,131,000 | 0.79 |
| 1986 | 20,000,000 | 7.61 |
| 1985 | 13,809,000 | — |
| 1984 | 13,809,000 | — |

(Loss)
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary gain of $224,778,000 ($11.24 per share) in 1986 and extraordinary loss $2,006,000 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

| | Total Equity | Equity |
|---|---|---|
| 1988 | $ 101,338,000 | $ 3.88 |
| 1987 | 88,153,000 | 3.37 |
| 1986 | 25,221,000 | 1.26 |
| 1985 | (128,378,000) ‡ | — |
| 1984 | 105,533,000 ‡ | 7.64 |

(Deficiency)
‡ After allowing for preferred stock at stated value.

Income Account (000's)

| Year ended Dec. 31 | 1988 (53 weeks) | 1987 |
|---|---|---|
| Net sales | $ 1,141,602 | $ 1,077,297 |
| Cost of sales | 809,325 | 760,676 |
| Expenses | 286,869 | 265,707 |
| Depreciation & amortization | 11,904 | 8,939 |
| Store preopening exp. | 5,019 | 1,921 |
| Interest expense | 22,013 | 26,131 |
| Interest income | (7,562) | (8,001) |
| Income before taxes | $ 14,034 | $ 21,924 |
| Income taxes | 799 | 2,078 |
| Net Income | $ 13,235 | $ 19,846 |
| Extraord. loss | — | (2,006) |
| Net Income & extraord. loss | $ 13,235 | $ 17,840 |

Assets (000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 20,480 | $ 54,386 |
| Accts. receiv., net | 49,920 | 48,648 |
| *Inventories | 164,364 | 155,964 |
| Other curr. assets | 4,465 | 3,877 |
| Current Assets | $ 239,229 | $ 262,875 |
| #Fixed Assets | 156,722 | 115,922 |
| Total Assets | $ 395,951 | $ 378,797 |

Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 19,602 | $ 16,680 |
| Accts. payable & accruals | 108,174 | 107,820 |
| Accrued interest | 6,263 | 6,178 |
| Curr. Liabilities | $ 134,039 | $ 130,678 |
| Long-term debt | 160,574 | 159,966 |
| +Common stock | 261 | 261 |
| Add. paid-in capital | 155,839 | 155,831 |
| Retained earnings (deficit) | (54,704) | (67,939) |
| Treasury stock | (58) | — |
| Total Liabilities & Shareholders' Equity | $ 395,951 | $ 378,797 |

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.23 | 2.04 |
| %Net Income to Sales | 1.16 | 1.84 |
| %Net Income to Equity | 13.06 | 22.51 |
| Sales to Inventories | 6.95 | 6.91 |
| Debt to Equity | 1.78 | 2.00 |
| Working Capital | $ 105,190,000 | $ 132,197,000 |
| Current Ratio | 1.78 | 2.01 |
| Shareholders' Equity | $ 101,338,000 | $ 88,153,000 |

## Hancock Fabrics, Inc.

3406 West Main Street
Tupelo, Mississippi 38801
(601) 842-2834

**Mailing address:**
P.O. Box 2400
Tupelo, Mississippi 38803-2400

## Hancock Fabrics, Inc.

**Officers:** Morris O. Jarvis, chairman, chief exec. officer & president; Donald L. Richey, exec. v.p. & dir.-retail operations; Robert C. Moore, sr. v.p., chief financial officer & secretary; Dean W. Abraham, v.p. & operations manager; Jack W. Busby, Jr., v.p. & operations manager; James A. Gilmore, v.p. & operations manager; Billy M. Morgan, v.p. & operations manager; David H. Jensen, v.p.-personnel; Larry G. Kirk, v.p. & controller; R. Brock Pope, v.p. & warehouse notions operations mgr.; William D. Smothers, v.p.-real estate; Charles R. Warren, v.p. & warehouse fabric operations mgr.; Carl W. Zander, v.p. & head fabrics buyer.

**Directors:** Morris O. Jarvis, chairman; Don L. Fruge, Ivan Owen, Donald L. Richey, Donna L. Weaver.

**Business Activities:** Operates 366 retail fabric stores in 29 states under the names "Hancock Fabrics," "Minnesota Fabrics," "Fabric Warehouse" and "Fabric Market." Also engages in the wholesale distribution of fabrics, crafts, and related home sewing accessories.

**Transfer Agent(s):**

Citizens and Southern Trust Company, N.A.
33 North Avenue
Atlanta, Georgia 30308

**Stock Exchange(s):** New York

**Ticker Symbol:** HKF

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 366 | 1987 | 305 |
| 1988 | 346 | | |

NOTE: Hancock Fabrics became a publicly owned company as the result of the distribution of its common stock to the stockholders of Lucky Stores on May 4, 1987. The pro forma information is shown to reflect net earnings per share as if the recapitalization of Hancock Fabrics had taken place at the beginning of each period and as if Hancock Fabrics had been a stand alone entity.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 315,406,000 | $ 22,018,000 |
| 1987 | 297,979,000 | 20,785,000 |
| 1986 | 289,940,000 | 23,466,000 |
| 1985 | 281,643,000 | 18,567,000 |
| 1984* | 169,503,000 | 15,748,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 12,759,000 | $ 1.71 |
| 1987+ | 12,758,000 | 1.53 |
| 1986+ | 12,860,000 | 1.49 |
| 1985 | 12,758,000 | — |

* 53 weeks
\+ Pro forma.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 105,791,000 | $ 8.29 |
| 1987 | 88,864,000 | 6.97 |
| 1986 | 167,918,000 | 13.06 |
| 1985 | 144,452,000 | 11.32 |
| 1984 | 125,885,000 | — |

**Income Account**
(000's)

| Year ended | 1/29/89 | 1/31/88 |
|---|---|---|
| Net sales | $ 315,406 | $ 297,979 |
| Cost of sales | 167,227 | 157,959 |
| Expenses | 108,029 | 100,904 |
| Depreciation & amortization | 3,427 | 3,361 |
| Interest expense | 2,724 | 2,632 |
| Interest income | (1,043) | (1,808) |
| Income before taxes | $ 35,042 | $ 34,931 |
| Income taxes | 13,024 | 14,146 |
| Net Income | $ 22,018 | $ 20,785 |

**Assets**
(000's)

| As of | 1/29/89 | 1/31/88 |
|---|---|---|
| Cash | $ 15,483 | $ 16,153 |
| Accts. receiv., net | 2,334 | 3,306 |
| *Inventories | 131,465 | 129,571 |
| Prepaid expenses | 418 | 735 |
| Current Assets | $ 149,700 | $ 149,765 |
| Notes receivable | 624 | 1,251 |
| #Fixed assets | 19,616 | 18,073 |
| Other assets | 48 | 196 |
| Total Assets | $ 169,988 | $ 169,285 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 307 | $ 325 |
| Accts. payable | 22,069 | 24,775 |
| Accruals | 10,502 | 9,227 |
| Income taxes | 632 | 161 |
| Deferred income taxes | 2,745 | 2,140 |
| Curr. Liabilities | $ 36,255 | $ 36,628 |
| Long-term debt | 25,000 | 40,036 |
| Cap. lease oblig. | 1,100 | 1,371 |
| Deferred inc. taxes | 1,676 | 1,470 |
| Other liabilities | 166 | 916 |
| +Common stock | 127 | 128 |
| Add. paid-in capital | 1,298 | 1,286 |
| Retained earnings | 104,366 | 88,829 |
| Treasury stock | — | (1,379) |
| Total Liabilities & Shareholders' Equity | $ 169,988 | $ 169,285 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
\+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 11.11 | 11.72 |
| %Net Income to Sales | 6.98 | 6.98 |
| %Net Income to Equity | 20.81 | 23.29 |
| Sales to Inventories | 2.40 | 2.30 |
| Debt to Equity | 0.25 | 0.47 |
| Working Capital | $ 113,445,000 | $ 133,137,000 |
| Current Ratio | 4.13 | 4.09 |
| Shareholders' Equity | $ 105,791,000 | $ 88,864,000 |

## Hannaford Bros. Co.

145 Pleasant Hill Road
Scarborough, Maine 04074
(207) 883-2911

Mailing Address:
P.O. Box 1000
Portland, Maine 04104

**Officers:** James L. Moody, Jr., chairman of the board & chief executive officer; Hugh G. Farrington, president & chief operating officer; Roger W. Hoyt, sr. v.p.-retail operations; Everett F. Johnson, v.p.-government relations & administrative services; Virgil E. Beane, v.p.-distribution; Norman E. Brackett, v.p.-management services; Gerard J. Geant, v.p.-corp. development; Andrew P. Geoghegan, v.p. & general counsel; Larry A. Plotkin, v.p.-Wellby Super Drug Stores; James J. Jermann, v.p.-merchandising; Robert E. Denton, v.p.-general merchandise; Katherine M. Greenleaf, v.p.-human resources; Albert F. Carville, Jr., v.p.-technical services; Albert F. Carville, Jr., v.p.-technical services; Robert F. Wade, treasurer; Robert B. Williamson, Jr., secretary & clerk; Charles H. Crockett, asst. secretary; Peter B. Webster, asst. secretary.

**Directors:** William D. Ireland, Jr.*, David F. Sobey*, James L. Moody, Jr.*, Florence C. Petrik, John J. Russell*, Hugh G. Farrington*, William T. End, Robert D. Bolinder, [illegible] W. Gogan.

* Member of the Executive Committee

**Business Activities:** Sells food and non-food items through 72 wholly owned Shop'n Save, Sun Foods or Martin's supermarkets in Maine, New Hampshire, Massachusetts, Vermont and upstate New York. The Company also operates 36 wholly owned Wellby Super Drug Stores and 16 separate pharmacies within supermarkets or combination stores. In addition, the Company owns a wholesale distributor of specialty foods, general merchandise, pharmaceuticals, and health and beauty aids.

**Subsidiaries:**

The Sampson Supermarkets, Inc.
Sun Foods, Inc.
Cottle's Shop'n Save, Inc.
Shop-Rite Supermarkets, Inc.
Shop'n Save Inc.
Analytical Services, Inc.
Wellby Super Drug Stores, Inc.
South Paris Shop N'Save, Inc.
Martin's Food of South Burlington, Inc.
Gay's Super Markets, Inc.
Progressive Distributors, Inc.
Hanbro, Inc.
Hannaford Properties, Inc.
Reece Development, Inc.
Shop'n Save Realty, Inc.
Hannaford Trucking Company
Second Hannaford Properties, Inc.
Third Hannaford Properties, Inc.
MB-Save, Inc.
Shopping Center Properties, Inc.
Warehouse Properties, Inc.
Reece Development, Inc. (Me.)
Plain Street Properties, Inc.
Mr. B's Enterprises
MB-Super, Inc.
MB-Food, Inc.
MB-Mass., Inc.
MB-New York, Inc.

**Shop'n Save-Mass., Inc.**

**Procacr Properties, Inc.**

**Transfer Agent(s):**

The First National Bank of Boston
Boston, Massachusetts

**Stock Exchange(s):** New York

**Ticker Symbol:** HRD

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 108 | 1985 | 101 |
| 1987 | 100 | 1984 | 98 |
| 1986 | 102 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 1,361,668 | $ 28,949 |
| 1987 | 1,033,418 | 24,083 |
| 1986* | 910,202 | 18,817 |
| 1985 | 816,775 | 14,399 |
| 1984 | 713,637 | 11,346 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 18,756,000 | $ 1.54 |
| 1987 | 19,518,000 | 1.30 |
| 1986* | 18,358,000 | 1.02 |
| 1985 | 16,590,000 | 0.87 |
| 1984 | 15,988,000 | 0.71 |

* 53 weeks.
‡ Based on the weighted averaged number of shares outstanding adjusted to reflect stock dividends and stock split.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.320 | — | 3-for-2 |
| 1987 | 0.280 | — | — |
| 1986 | 0.250 | — | — |
| 1985 | 0.238 | 50% | — |
| 1984 | 0.195 | 50% | — |

† Adjusted to reflect stock dividends and stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 167,105,000 | $ 8.86 |
| 1987 | 140,070,016 | 7.54 |
| 1986 | 119,800,819 | 6.50 |
| 1985 | 106,508,772 | 5.72 |
| 1984 | 71,963,247 | 4.47 |

‡ Adjusted to reflect stock dividends and stock split.

**Income Account ***

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 1,261,668,253 | $ 1,033,418,351 |
| Cost of sales | 923,759,459 | 761,666,412 |
| Expenses | 281,558,340 | 221,298,423 |
| Interest expenses | 7,652,409 | 5,393,589 |
| Income before taxes | $ 48,698,045 | $ 45,059,927 |
| Income taxes | 18,815,221 | 20,274,091 |
| Minority interest | 934,141 | 702,722 |
| Net Income | $ 28,948,683 | $ 24,083,114 |

* Included in Costs and Expenses, Depreciation and Amortization: $23,825,551 in 1988 and $18,154,258 in 1987.

**Assets**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash & cash items | $ 3,724,783 | $ 6,256,393 |
| Notes & accts. receiv. | 9,848,840 | 7,404,352 |
| *Inventories | 92,569,835 | 74,667,202 |
| Prepaid expenses | 2,311,962 | 1,890,146 |
| Deferred inc. taxes | 1,925,000 | 830,000 |
| Current Assets | $ 110,380,420 | $ 91,046,093 |
| #Fixed assets | 233,210,459 | 178,232,317 |
| Oblig. under cap. leases | 18,564,318 | 14,404,972 |
| Investments | 5,005,088 | 4,811,352 |
| Other assets | 20,074,848 | 15,922,373 |
| Total Assets | $ 387,235,133 | $ 304,419,107 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 3,251,913 | $ 2,574,149 |
| Oblig. under cap. lease, curr. | 1,079,356 | 1,069,333 |
| Accts. payable | 49,949,948 | 42,586,560 |
| Accrued payroll | 11,365,448 | 8,997,166 |
| Other accruals | 14,241,552 | 8,747,109 |
| Income taxes | 3,509,134 | 907,572 |
| Curr. Liabilities | $ 83,397,351 | $ 64,881,889 |
| Long-term debt | 77,016,669 | 52,373,381 |
| Oblig. under cap. lease | 23,238,797 | 19,005,610 |
| Deferred tax liab. | 16,322,682 | 12,872,319 |
| Other liabilities | 11,839,400 | 7,810,767 |
| Minority interest | 5,533,879 | 7,405,125 |
| +Redeem. preferred stock | 2,781,000 | — |
| ++Common stock | 14,152,528 | 13,939,317 |
| Add. paid-in capital | 49,066,156 | 45,006,119 |
| Pref. stock purch. rights | 188,700 | — |
| Retained earnings | 103,697,991 | 81,124,580 |
| Total Liabilities & Shareholders' Equity | $ 387,235,133 | $ 304,419,107 |

* At lower of cost (FIFO) or market; groceries, pharmaceuticals and general merchandise at LIFO cost.
# Less accumulated depreciation.
+ $100 par value.
++ $0.75 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.86 | 4.36 |
| %Net Income to Sales | 2.29 | 2.33 |
| %Net Income to Equity | 17.32 | 17.19 |
| Sales to Inventories | 13.63 | 13.84 |
| Debt to Equity | 0.63 | 0.54 |
| Working Capital | $ 26,983,069 | $ 26,166,204 |
| Current Ratio | 1.32 | 1.40 |
| Shareholders' Equity | $ 167,105,375 | $ 140,070,016 |

## Hanson Plc

1 Grosvenor Place
London, SWIX 7JH, England
(01) 245-1245

**Directors:** Lord Hanson, chairman; D. N. Rosling, vice chairman; B. A. Hellings, A. Hagdrup, M. G. Taylor, A. G. L. Alexander, C. G. F. Harding, J. H. Pattinson, D. C. Bonham, Sir Gordon Booth, E. D. Collins, H. G. Ashton, D. H. Clarke, associate director; A. R. Cotton, associate director; P. J. Harper, associate director; J. C. Miller, associate director; R. S. Pelford, associate director.

**Business Activities:** In the retail area, the Company operates Alldays Department Stores in the United Kingdom, approximately 400 Endicott Johnson shoe stores across the United States, duty- and tax-free shops at airports in Canada and Australia, and 215 Ground Round restaurants in the United States. In addition, through its subsidiaries in the United Kingdom and United States, the Company manufactures portable electronic typewriters and word processors, incandescent and fluorescent lighting fixtures, jacuzzis, hydraulic cranes, automotive heats and air-conditioning systems, domestic credit gas meters, living flame gas fires and gas fired wall heaters, wiring accessories and circuit breakers, dry cell batteries; moulded components, custom machined parts, and powdered metals and specialty materials, all for the automotive industry; production equipment for the oil and gas industries, cement, textile products, footwear, tobacco, bricks, lumber, wood windows and doors, garden and industrial tools, office furniture, metal snap fasteners, paper forms and supplies, pre-engineered metal buildings, food products, and titanium dioxide, a white pigment used in the manufacture of a variety of products.

**Subsidiaries:**

CONSUMER - U.K.

Imperial Tobacco Limited
P.O. Box 244
Hartcliffe, Bristol BS99 7UJ
(0272) 781111
Cigarettes, cigars, pipe and hand-rolling tobacco.

British Ever Ready Limited
93 Burleigh Gardens
Southgate, London N14 5AQ
(01) 882-8661
Dry cell batteries.

Alldays Limited
84 Southampton Road
Eastleigh, Hants
(0703) 644599
Operates department stores and duty- and tax-free shops.

CONSUMER - U.S.A.

Carisbrook Industries Inc. (Yarn)
1114 Avenue of the Americas
New York, New York 10036
(212) 398-1180
Yarns, soft furnishings and apparel.

Carisbrook Industries Inc. (Fabric)
1185 Avenue of the Americas
New York, New York 10036
(212) 536-0200
Specialty fabrics and textile finishing machinery.

Smith Corona Corporation
65 Locust Avenue
New Canaan, Connecticut 06840
(203) 972-1471
Portable typewriters and word processors.

Endicott Johnson Corporation
1100 East Main Street
Endicott, New York 13760
(607) 757-4000
Manufactures and retails a wide range of footwear.

Hanson Housewares Group
3 Speen Street
Suite 350
Farmington, Massachusetts 01701
(508) 872-6514
Farberware cookware and small kitchen appliances; Tucker plastic housewares; Rexair vacuum cleaners; Spartus clocks; Tetera artificial floral products.

Hanson Recreation and Leisure Group
4600 Southwest 41st Boulevard
Gainesville, Florida 32601
(904) 376-2327
Tommy Armour golf equipment and apparel; Universal physical conditioning and weight training equipment; Valley pool tables and electronic dart games; Bear archery equipment; Ertl die cast toys and model kits.

BUILDING PRODUCTS - U.K.

London Brick Company Limited
Marston Road, Marston Morteyne
Bedford MK43 OPP
(0525) 405858
Fletton bricks.

Butterley Brick Limited
Wellington Street
Ripley, Derby DE5 3DZ
(0773) 570570
Non-fletton bricks.

BUILDING PRODUCTS - U.S.A.

Hanson Lighting Group
1251 Doolittle Drive
San Leandro, California 94577
(415) 562-3500
Fluorescent and incandescent lighting products.

Kaiser Cement Corporation
350 Lakeside Drive
Oakland, California 94612
(415) 271-2000
Cement and aggregate products.

Hanson Building Products
Camden and Broadway Avenues
Parkersburg, West Virginia 26101
(304) 424-3000
Windows, building materials, garden and industrial hand tools.

INDUSTRIAL - U.K.

Lindustries Limited
Southgate House
Stevenage, Herts SG1 1HG
(0438) 365461
Electrical, automotive, engineering and gas products.

SLD/Barbour Campbell
Southgate House
Stevenage, Herts SG1 1HG
(0438) 728387
Textile products and construction services.

Hanson Engineering
Southgate House
Stevenage, Herts SG1 1HG
(0438) 742225
Engineering and heating appliance companies including Berry Magicoal and Robinson Willey.

INDUSTRIAL - U.S.A.

Office Group America
114 Churchill Avenue, N.W.
Leeds, Alabama 35094
(205) 699-5181
Office furniture.

SCM Chemicals Inc.
7 Saint Paul Street, Suite 1010
Baltimore, Maryland 21202
(301) 783-1120
Pigments and related chemicals.

SCM Chemicals Limited (UK)
P.O. Box 26, Grimsby
South Humberside DN37 8DP
(0469) 571000
Pigments.

Hanson Office Products Dealer Group
35 Melanie Lane
Whippany, New Jersey 07981
(201) 386-8900
Furniture and office supply distribution.

Grove Manufacturing Company
1565 Buchanan Trail E.
Shady Grove, Pennsylvania 17256
(717) 597-8121
Mobile hydraulic and truck mounted cranes; aerial access equipment.

Weber Aircraft Inc.
2820 Ontario Street
Burbank, California 91504
(818) 848-5543
Aircraft seating and interior galleys and lavatories.

FOOD - U.K.

Imperial Foods Limited
22 Stewartby Way
Stewartby, Bedford MK43 9LZ
(0234) 76833
Confectionary and health products.

FOOD - U.S.A.

Hygrade Food Products Corporation
26877 Northwestern Highway, Suite 400
Southfield, Michigan 48034
(313) 355-1100
Processed meats.

The Ground Round Inc.
541 Main Street
South Weymouth, Massachusetts 02910-1898
(617) 331-7005
Family restaurants.

**Transfer Agent(s):***

Citibank, N.A.
ADR Department
111 Wall Street, 5th Floor
New York, New York 10043
* American Depositary Receipt

**Stock Exchange(s):** London, New York*, Zurich, Basel, Geneva, Paris

**Ticker Symbol:** HAN (New York)* *Trades as an American Depositary Receipt (ADR). Each ADR represents 5 Hanson ordinary shares.

**Sales & Earnings**

| | Net Sales (000's) | Net Income †+ (000's) |
|---|---|---|
| 1988 | £ 7,396,000 | £ 880,000 |
| 1987 | 6,682,000 | 741,000 |
| 1986 | 4,312,000 | 464,000 |
| 1985 | 2,674,000 | 253,000 |
| 1984 | 2,382,000 | 169,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 3,826,437,207 | 15.9p |
| 1987 | 3,577,232,668 | 14.0 |
| 1986 | N.A. | 10.7 |
| 1985 | N.A. | 7.9 |
| 1984 | N.A. | 5.7 |

£ - pound sterling.
N.A. - Not Available.
† Before taxes.
+ Including extraordinary gains of £ 445,000,000 in 1988 and £ 5,000,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
# Fully diluted.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| U.K.: | | |
| Consumer | £ 3,190,000 | £ 3,200,000 |
| Bldg. products | 309,000 | 246,000 |
| Industrial | 507,000 | 375,000 |
| Food | 190,000 | 182,000 |
| U.S.A.: | | |
| Consumer | 804,000 | 528,000 |
| Bldg. products | 641,000 | 408,000 |
| Industrial | 1,335,000 | 620,000 |
| Food | 420,000 | 398,000 |
| Discontinued operations | — | 725,000 |
| Total | £ 7,396,000 | £ 6,682,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | 6.8p | — | — |
| 1987 | 4.4 | — | — |
| 1986 | 3.2 | — | — |
| 1985 | 1.8 | — | — |
| 1984 | 2.4 | — | — |

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share ‡ |
|---|---|---|
| 1988 | £ 2,339,000 | 61.1p |
| 1987 | 1,879,000 | 52.5 |
| 1986 | 1,588,000 | — |
| 1985 | 1,125,000 | — |
| 1984 | 411,000 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**
(000's)

| Year ended Sept. 30 | 1988 | 1987 |
|---|---|---|
| Net sales | £ 7,396,000 | £ 6,682,000 |
| Changes in inventories | 115,000 | 12,000 |
| Raw materials | 4,301,000 | 4,243,000 |
| Employment costs | 1,169,000 | 911,000 |
| Depreciation | 127,000 | 105,000 |
| Other charges | 888,000 | 767,000 |
| Share of profits of rel. cos. | (6,000) | (7,000) |
| Interest expense | 287,000 | 300,000 |
| Interest income | (365,000) | (390,000) |
| Income before taxes | £ 880,000 | £ 741,000 |
| Income taxes | 204,000 | 169,000 |
| Net Income | £ 676,000 | £ 572,000 |
| Extraord. gain | 445,000 | — |
| Net Income & extraord. gain | £ 1,121,000 | £ 572,000 |

**Assets**
(000's)

| As of Sept. 30 | 1988 | 1987 |
|---|---|---|
| Cash | £ 3,818,000 | £ 2,980,000 |
| *Stocks | 1,071,000 | 832,000 |
| Debtors | 1,227,000 | 1,123,000 |
| Listed investments | 42,000 | 79,000 |
| Current Assets | £ 6,158,000 | £ 5,014,000 |
| Investments | 178,000 | 178,000 |
| #Fixed assets | 1,476,000 | 1,183,000 |
| Total Assets | £ 7,812,000 | £ 6,375,000 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Debenture loans | £ 102,000 | £ 109,000 |
| Bank loans & overdrafts | 774,000 | 574,000 |
| Trade creditors | 457,000 | 353,000 |
| Other creditors | 934,000 | 935,000 |
| Dividends | 196,000 | 112,000 |
| Curr. Liabilities | £ 2,463,000 | £ 2,083,000 |
| Convertible loans | 930,000 | 1,073,000 |
| Debenture loans | 226,000 | 256,000 |
| Bank loans | 968,000 | 398,000 |
| Provisions for liabilities | 886,000 | 686,000 |
| +Preferred stock | 147,000 | 149,000 |
| ++Common stock | 957,000 | 894,000 |
| Add. paid-in capital | 145,000 | 25,000 |
| Revaluation reserve | 218,000 | 17,000 |
| Retained earnings | 872,000 | 794,000 |
| Total Liabilities & Shareholders' Equity | £ 7,812,000 | £ 6,375,000 |

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 5.75% convertible cumulative redeemable.
++ 25p par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 11.90 | 11.09 |
| %Net Income to Sales | 9.14 | 8.56 |
| %Net Income to Equity | 28.90 | 30.44 |
| Sales to Inventories | 6.91 | 8.03 |
| Debt to Equity | 1.28 | 1.28 |
| Working Capital | £3,695,000,000 | £2,931,000,000 |
| Current Ratio | 2.50 | 2.41 |
| Shareholders' Equity | £2,339,000,000 | £1,879,000,000 |

## Harold's Stores, Inc.

P.O. Drawer 2970
765 Asp
Norman, Oklahoma 73069
(405) 329-4045

**Officers:** Harold G. Powell, chairman of the board & chief executive officer; Rebecca Powell Casey, vice chairman; H. Rainey Powell, exec. v.p., chief financial officer, treasurer & secretary; Rebecca Bridston, v.p.-personnel & store supervision; Cynthia Poor, v.p.-operations; Janet Ferguson, v.p.-ladies' merchandise; Christopher Merritt, v.p.-men's merchandise; Kenneth C. Row, v.p.-advertising.

**Directors:** Harold G. Powell, chairman; Rebecca Powell Casey, H. Rainey Powell, Gary Rawlinson, James R. Agar, Robert A. Shuey, III, Michael T. Casey.

**Business Activities:** Operates 12 Harold's women's clothing stores, seven Harold's men's clothing stores and two Old School Clothing Company stores in Oklahoma, Texas, Mississippi, Southern California, Georgia and Maryland. These stores offer private label and branded lines of classicly styled apparel.

**Transfer Agent(s):**

The Liberty Bank & Trust of Oklahoma City
Oklahoma City, Oklahoma

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** HRLD (NASDAQ)

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1989 | 21 | 1987 | 15 |
| 1988 | 19 | 1986 | 15 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 28,698,000 | $ 559,000 |
| 1988 | 23,379,000 | 379,000 |
| 1987 | 22,883,000 | 1,112,000 |
| 1986 | 21,274,000 | 467,000 |
| 1985 | 20,368,000 | 411,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 3,042,957 | $ 0.18 |
| 1988 | 2,629,883 | 0.14 |
| 1987 | 2,334,000 | 0.48 |
| 1986 | 2,333,000 | 0.20 |
| 1985 | 2,333,000 | 0.18 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 12,537,000 | $ 4.12 |
| 1988 | 11,978,000 | 4.55 |
| 1987 | 6,793,000 | 2.91 |
| 1986 | 5,678,000 | 2.43 |
| 1985 | 5,211,000 | 2.23 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 28,698,000 | $ 23,379,000 |
| Cost of sales | 16,744,000 | 13,504,000 |
| Fin. charge revenue | (419,000) | (387,000) |
| Expenses | 11,710,000 | 9,597,000 |
| Interest expense | 42,000 | 153,000 |
| Other income | (72,000) | (93,000) |
| Non-oper. exp. (inc.) | 5,000 | (52,000) |
| Income before taxes | $ 688,000 | $ 657,000 |
| Income taxes | 248,000 | 278,000 |
| Cum. effect of change in acct. | (119,000) | — |
| Net income | $ 559,000 | $ 379,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $681,000 in 1989 and $445,000 in 1988.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 779,000 | $ 807,000 |
| Marketable securities | — | 1,766,000 |
| Accts. receiv., net | 3,077,000 | 2,564,000 |
| Refundable taxes | 111,000 | 363,000 |
| *Inventories | 6,901,000 | 4,618,000 |
| Prepaid expenses | 269,000 | 246,000 |
| Def. inc. taxes | 240,000 | 46,000 |
| Current Assets | $ 10,977,000 | $ 10,410,000 |
| # Fixed assets | 3,731,000 | 3,378,000 |
| Other assets | 203,000 | 239,000 |
| Total Assets | $ 14,911,000 | $ 14,027,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 3,000 | $ 3,000 |
| Accts. payable | 1,502,000 | 1,107,000 |
| Redeem. gift certif. | 201,000 | 212,000 |
| Accrued payroll | 232,000 | 192,000 |
| Accrued rent | 169,000 | 255,000 |
| Other accruals | 56,000 | 29,000 |
| Curr. Liabilities | $ 2,163,000 | $ 1,798,000 |
| Long-term debt | 11,000 | 14,000 |
| Deferred inc. taxes | 200,000 | 237,000 |
| +Common stock | 30,000 | 30,000 |
| Add. paid-in capital | 5,072,000 | 5,072,000 |
| Retained earnings | 7,435,000 | 6,876,000 |
| Total Liabilities & Shareholders' Equity | $ 14,911,000 | $ 14,027,000 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.40 | 2.81 |
| %Net Income to Sales | 1.95 | 1.62 |
| %Net Income to Equity | 4.46 | 3.16 |
| Sales to Inventories | 4.41 | 5.37 |
| Working Capital | $ 8,814,000 | $ 8,612,000 |
| Current Ratio | 5.07 | 5.79 |
| Shareholders' Equity | $ 12,537,000 | $ 11,978,000 |

## Hartmarx Corporation

101 North Wacker Drive
Chicago, Illinois 60606
(312) 372-6300

**Officers:** John R. Meinert, chairman & chief administrative officer; Elbert O. Hand, president & chief operating officer; Harvey Weinberg, vice chairman & chief exec. officer; Jerome Dorf, sr. v.p. & chief financial officer; Frank A. Brenner, v.p.-marketing services; James E. Condon, v.p. & treasurer; Sherman D. Rosen, v.p.-human resources; Guy Gunzberg, v.p.-information systems; Glenn R. Morgan, v.p. & controller; Carey M. Stein, v.p., secretary & gen. counsel.

**Directors:** Jerome S. Gore*, John R. Meinert, Donald P. Jacobs*, Raymond F. Farley*, Sam F. Segnar*, Burton B. Ruby*, Charles Marshall*, A. Robert Abboud*, James E. Devitt*, Harvey A. Weinberg, Elbert O. Hand, Letitia Baldrige*.

* Member of the Executive Committee

**Business Activities:** Designs and manufactures a wide variety of men's and women's apparel. The Company's retail activities consist of the following: Hartmarx Specialty Stores, Inc. operates 258 high quality apparel specialty stores catering to business and professional men and women across the country under such names as Wallachs, Baskin, Hastings, Jos. K. Wilson, Silverwoods, and F. R. Tripler. Kuppenheimer is a direct to consumer retailer of popular-priced suits, sportcoats and slacks which are sold through its own 108 retail stores. Country Miss operates 87 women's apparel outlets under the name Old Mill Stores. The Company also operates 15 Sansabelt Clothing stores.

**Divisions and Subsidiaries:**

Hartmarx Specialty Stores, Inc.

**Baskin**
Operates 17 stores in Illinois and Wisconsin.

**Ray Bears**
Topeka, Kansas

**Capper & Capper, Ltd.**
Chicago, Illinois
Operates three stores in Illinois.

**Field Bros.**
New York, New York
Operates seven stores in New York and New Jersey.

**Arthur Frank**
Salt Lake City, Utah
Operates two stores in Utah.

**Frank Bros.**
San Antonio, Texas
Operates three stores in Texas.

**Hanny's**
Phoenix, Arizona
Operates five stores in Arizona.

**Antons**
Detroit, Michigan
Operates nine stores in Michigan.

**Hastings**
Operates 10 stores in California.

**Jack Henry**
Kansas City, Missouri
Operates four stores in Missouri and Kansas.

**Heyward-Mahon**
Greenville, South Carolina
Operates one store in South Carolina.

**J.O. Jones**
Operates two stores in Charlotte & Raleigh, North Carolina.

**Kleinhans**
Buffalo, New York
Operates six stores in New York.

**Klopfenstein's**
Operates 13 stores in Washington, Oregon and Alaska.

**Raleighs**
Washington D.C.
Operates 13 stores in Maryland, Virginia, and the District of Columbia.

**Boyd's**
St. Louis, Missouri
Operates three stores in Missouri.

**Leopold, Price & Rolle**
Houston, Texas
Operates 12 stores in Texas.

**Graham & Gunn Ltd.**
Operates three stores in Connecticut, Michigan, and Missouri.

**Levy-Wolf**
Jacksonville, Florida
Operates two stores in Florida.

**Corporate Woman**
Operates two stores in Texas.

**Lismandt's**
Operates six stores in Minnesota.

**Littlers**
Seattle, Washington
Operates two stores in Washington.

**Merritt Schaefer & Brown**
Austin, Texas
Operates three stores in Texas.

**Porter-Stevens**
New Orleans, Louisiana
Operates five stores in Louisiana.

**Root's**
Operates seven stores in New Jersey and Massachusetts.

**Shulman's**
Operates two stores in Norfolk and Hampton, Virginia.

**Silverwoods**
Operates 20 stores in California and Nevada.

**Stevens**
Jackson, Mississippi
Operates two stores in Mississippi.

**F.R. Tripler & Co.**
New York, New York
Operates one store in New York City.

Walkers
Operates nine stores in Ohio.

Wallachs
Operates 33 stores in New York, Connecticut, Massachusetts, New Jersey, Rhode Island and New Hampshire

Wallachs of Florida
Operates five stores in Florida.

Jas. K. Wilson
Operates 12 stores in Texas.

Wolf Bros.
Operates seven stores in Florida.

Zachry
Operates 12 stores in Georgia, Alabama, and North Carolina.

deJong's
Evansville, Indiana
Operates three stores in Indiana.

Peer Gordon
Operates five stores in Ohio.

Barrie Pace, Ltd.
Operates two stores in New York and Massachusetts.

Country Miss
(Retail operations)
Operates 87 Old Mills Stores in 28 states. These stores feature women's sportswear and separates produced by Country Miss, Inc.

Kuppenheimer Men's Clothiers
(Retail operations)
Operates 108 Kuppenheimer men's clothing stores in 26 states.

Sassabelt Stores
Operates 15 stores in California, Illinois, Ohio, Tennessee and Texas.

Robert's
(37.33%-owned)
Mexico City, Mexico
Operates clothing stores in Mexico.

Manufacturing Group

Austin Reed of Regent Street
Christian Dior
Society Brand Ltd.
Graham & Gunn Ltd.
Fashionaire Apparel, Inc.
Hart Schaffner & Marx Clothes
Jack Nicklaus
Henry Grethel Apparel
Sterling & Hunt

all located at:
101 North Wacker Drive
Chicago, Illinois 60606
Plants located: Marseilles, Chicago (3) and Rock Island (2) Illinois; Cape Girardeau & Chaffee, Missouri; Rochester, N.Y.; Michigan City, Indiana

Hickey-Freeman Co., Inc.
1155 Clinton Avenue, North
Rochester, New York 14621
Plants located: Rochester and Buffalo, New York

Johnny Carson Apparel, Inc.
2020 Elmwood Avenue
Buffalo, New York 14207

Jaymar-Ruby, Inc.
5000 South Ohio Street
Michigan City, Indiana 46360
Plants located: Michigan City (5) and East Chicago, Indiana; Anniston, Alabama; Elizabethtown, Kentucky; Rector, Arkansas.

Country Miss, Inc. (92% owned)
Tatamy & Kesslerville Road
P.O. Box 769
Easton, Pennsylvania 18042
Plants located: Easton, Pennsylvania; Glasgow, Kentucky; Bristol, Virginia; Cookeville, Tennessee; Waterboro, South Carolina.

Intercontinental Branded Apparel, Inc.
888 7th Avenue
New York, New York 10019

Gleneagles, Inc.
808 Gleneagles Court
Baltimore, Maryland 21204
Plants located: Baltimore (3), Maryland

Thorngate Uniforms, Inc.
2 DeKalb Street
Norristown, Pennsylvania 19401

Yorke Shirt Co.
Kuppenheimer Men's Clothiers (Manufacturing operations)
H. Oritsky
Briar, Inc.

**Transfer Agent(s):**

The First National Bank of Chicago
Chicago, Illinois 60670

**Stock Exchange(s):** New York, Midwest

**Ticker Symbol:** HSM

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 468 | 1985 | 467 |
| 1987 | 440 | 1984 | 453 |
| 1986 | 440 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $1,174,314,000 | $ 38,015,000 |
| 1987 | 1,080,420,000 | 41,265,000 |
| 1986 | 1,063,011,000 | 24,775,000 |
| 1985 | 1,109,537,000 | 42,660,000 |
| 1984 | 1,070,830,000 | 41,735,000 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1988 | 18,662,495 | $ 2.03 |
| 1987 | 18,833,058 | 2.01 |
| 1986 | 20,396,213 | 1.20 |
| 1985 | 18,883,002 | 2.25 |
| 1984 | 18,590,406 | 2.24 |

+ Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.075 | — | — |
| 1987 | 0.980 | — | — |
| 1986 | 0.90 1/3 | — | 3-for-2 |
| 1985 | 0.85 1/3 | — | — |
| 1984 | 0.74 2/3 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1988 | $ 358,474,000 | $ 19.21 |
| 1987 | 343,934,000 | 18.26 |
| 1986 | 338,718,000 | 17.59 |
| 1985 | 332,412,000 | 17.61 |
| 1984 | 301,991,000 | 16.24 |

† Adjusted to reflect stock split.

**Income Account** * (000's)

| Year ended Nov. 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 1,174,314 | $ 1,080,420 |
| Other income | 15,320 | 12,564 |
| Total income | $ 1,189,634 | $ 1,092,984 |
| Cost of sales | 700,423 | 634,433 |
| Expenses | 414,851 | 378,791 |
| Interest expense | 14,465 | 7,715 |
| Income before taxes | $ 59,895 | $ 72,045 |
| Income taxes | 21,880 | 30,780 |
| Net Income | $ 38,015 | $ 41,265 |

* Included in Costs and Expenses, Depreciation and Amortization: $25,018,000 in 1988 and $22,567,000 in 1987.

**Assets** (000's)

| As of Nov. 30 | 1988 | 1987 |
|---|---|---|
| Cash & short term inv. | $ 5,008 | $ 8,818 |
| Accts. receiv., net | 186,046 | 170,081 |
| *Inventories | 378,457 | 325,356 |
| Prepaid expenses | 8,673 | 10,880 |
| Current Assets | $ 578,184 | $ 515,135 |
| #Fixed assets | 141,627 | 131,647 |
| Other assets | 14,305 | 13,502 |
| Total Assets | $ 734,116 | $ 660,284 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Notes payable | $ 79,600 | $ 30,200 |
| Long-term debt, curr. | 4,542 | 6,069 |
| Accts. payable | 74,021 | 68,085 |
| Accrued payroll | 30,752 | 34,866 |
| Other accruals | 24,861 | 24,757 |
| Income taxes | 14,023 | 19,716 |
| Deferred taxes | 12,373 | 12,903 |
| Curr. Liabilities | $ 240,172 | $ 196,596 |
| Long-term debt | 135,470 | 119,754 |
| +Common stock | 58,804 | 58,684 |
| Add. paid-in capital | 47,149 | 44,868 |
| Retained earnings | 351,795 | 333,753 |
| Foreign curr. adj. | (5,876) | (5,876) |
| Treasury stock | (93,398) | (87,495) |
| Total Liabilities & Shareholders' Equity | $ 734,116 | $ 660,284 |

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.10 | 6.67 |
| %Net Income to Sales | 3.24 | 3.82 |
| %Net Income to Equity | 10.60 | 12.00 |
| Sales to Inventories | 3.10 | 3.32 |
| Debt to Equity | 0.23 | 0.45 |
| Working Capital | $ 338,012,000 | $ 318,539,000 |
| Current Ratio | 2.41 | 2.62 |
| Shareholders' Equity | $ 358,474,000 | $ 343,934,000 |

## The Harvey Group, Inc.

3 Expressway Plaza
Roslyn Heights, New York 11577
(516) 621-3566

**Officers:** Harvey E. Sampson, chairman of the board & president; Edward J. Maher, vice chairman; Robert C. Cignarella, exec. v.p.; Dennis R. Wilson, exec. v.p., treasurer, chief financial officer & secretary.

**Directors:** Michael E. Gellert, Harvey E. Sampson, Richard M. Ramin, Edward J. Maher, William F. Kenny, III, Robert C. Cignarella, Mark N. Kaplan, John M. Fox, Dennis R. Wilson.

**Business Activities:** Engaged in the retail sale of audio and high-fidelity equipment, home entertainment systems, video electronic equipment, television sets, professional and home recording equipment, phonograph records, tapes, and similar products; operates stores in New York City and

White Plains, New York, and Paramus, New Jersey. Also operates a food brokerage division.

**Divisions and Subsidiaries:**

Harvey Electronics
New York, New York

The Boerner Company
Roslyn Heights, New York

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
New York, New York

**Stock Exchange(s):** American

**Ticker Symbol:** HRA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 3 | 1986 | 3 |
| 1988 | 3 | 1985 | 2 |
| 1987 | 3 | | |

**Sales & Earnings**

| | Revenues + | Net Income |
|---|---|---|
| 1989 | $ 35,966,443 | $ 1,425,811 |
| 1988 | 31,738,546 | 652,709 |
| 1987 | 28,819,724 | 22,744 |
| 1986 | 24,633,103 | 424,778 |
| 1985 | 27,974,446 | (2,617,298) |

| | No. of Com. Shares | Earn. per Share ‡ # |
|---|---|---|
| 1989 | 2,415,500 | $ 0.56 |
| 1988 | 2,554,000 | 0.25 |
| 1987 | 2,553,500 | 0.01 |
| 1986 | 2,551,000 | 0.16 |
| 1985 | 2,551,000 | — |

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $433,837 ($0.16 per share) in 1989, $287,000 ($0.11 per share) in 1988, $4,000 in 1987 and $154,450 ($0.06 per share) in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Food brokerage | $ 16,029,397 | $ 14,618,778 |
| Retail | 19,897,273 | 17,118,550 |
| Total segments | $ 35,926,670 | $ 31,737,328 |
| Interest income | 39,773 | 1,218 |
| Revenues | $ 35,966,443 | $ 31,738,546 |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 8,866,301 | $ 3.67 |
| 1988 | 7,868,590 | 3.08 |
| 1987 | 7,215,319 | 2.83 |
| 1986 | 7,190,075 | 2.82 |
| 1985 | 6,765,297 | 2.65 |

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Revenues | $ 35,966,443 | $ 31,738,546 |
| Cost of revenues | 12,848,392 | 11,464,710 |
| Expenses | 21,274,560 | 19,555,623 |
| Interest expense | 245,777 | 251,899 |
| Gain on pension oblig. settln. | — | (213,395) |
| Inc. bef. taxes | $ 1,597,724 | $ 679,709 |
| Income taxes | 605,750 | 314,000 |
| Net income | $ 991,974 | $ 365,709 |
| Extraord. gain | 433,837 | 287,000 |
| Net Income & extraord. gain | $ 1,425,811 | $ 652,709 |

* Included in Costs and Expenses, Depreciation and Amortization: $690,785 in 1989 and $462,011 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 757,493 | $ 881,711 |
| Receiv., net | 2,614,750 | 2,821,022 |
| Refundable income taxes | 539,030 | 527,407 |
| *Inventories | 3,322,236 | 2,949,115 |
| Prepaid expenses & other assets | 240,783 | 117,384 |
| Current Assets | $ 7,474,292 | $ 7,296,639 |
| #Fixed assets | 1,932,872 | 1,810,631 |
| Other assets | 5,937,351 | 6,034,381 |
| Total Assets | $ 15,344,515 | $ 15,141,651 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 822,517 | $ 739,166 |
| Accts. payable | 390,769 | 962,124 |
| Accruals | 2,466,197 | 2,292,706 |
| Income taxes | 149,253 | 123,943 |
| Curr. Liabilities | $ 3,828,736 | $ 4,117,939 |
| Long-term debt | 1,159,762 | 1,389,762 |
| Other liab. | 731,217 | 911,361 |
| Unrecog. pension gain | 655,499 | 750,999 |
| Def. income taxes | 103,000 | 103,000 |
| +Common stock | 2,615,500 | 2,554,000 |
| Add. paid-in capital | 5,974,717 | 5,939,317 |
| Retained earnings (deficit) | 801,084 | (624,727) |
| Total Liabilities & Shareholders' Equity | $ 15,344,515 | $ 15,141,651 |

* At lower of cost (average) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 4.44 | 2.14 |
| %Net Income to Revenues | 2.76 | 1.15 |
| %Net Income to Equity | 11.19 | 4.65 |
| Debt to Equity | 0.22 | 0.27 |
| Working Capital | $ 3,645,556 | $ 3,178,700 |
| Current Ratio | 1.95 | 1.74 |
| Shareholders' Equity | $ 8,866,301 | $ 7,868,590 |

## Haverty Furniture Companies, Inc.

866 West Peachtree Street, N.W.
Atlanta, Georgia 30308
(404) 881-1911

Mailing address:
P.O. Box 54678
Civic Center Station
Atlanta, Georgia 30379

**Officers:** Rawson Haverty, chairman & chief exec. officer; Frank S. McGaughey, Jr., president & chief operating officer; Leonard O. Gay, exec. vice president & chief financial officer; John E. Slater, Jr., sr. v.p.; James E. Smith, v.p.; Hugh G. Wells, Jr., v.p. & treasurer; Christine M. Jones, asst. v.p. & secretary; Clarence H. Smith, v.p.; Roger P. Whitaker, v.p.; Thomas P. Curran, v.p.; Jone S. Nagy, asst. v.p.; Rawson Haverty, Jr., asst. v.p. & asst. secretary; Dan C. Bryant, comptroller; Kenneth A. Fogle, asst. v.p.; M. Tony Wilkerson, asst. v.p.; William Thomascon, asst. v.p.; Edison W. Garner, asst. v.p.; William J. McClure, asst. v.p.

**Directors:** Rawson Haverty, Frank S. McGaughey, Jr., Leonard O. Gay, Alexander W. Smith, Fred J. Bates, John Rhodes Haverty, Clarence H. Ridley, Kenneth Black, Jr., John C. Wilson, James R. Jones, John E. Slater, Jr., Lynn H. Johnston, William A. Parker, Jr., Robert R. Woodson, Robert P. Guyton, William A. Parker, Jr..

**Business Activities:** Operates a chain of 82 retail home furnishings stores in 10 southern states.

**Transfer Agent(s):**

Wachovia Bank and Trust Company, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, North Carolina 27102

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** HAVT and HAVTA (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 82 | 1985 | 68 |
| 1987 | 80 | 1984 | 65 |
| 1986 | 72 | | |

**Sales & Earnings**

| | Net Sales * | Net Income |
|---|---|---|
| 1988 | $ 227,997,000 | $ 7,654,000 |
| 1987 | 217,467,000 | 8,702,000 |
| 1986 | 188,715,000 | 7,250,000 |
| 1985 | 176,595,000 | 10,284,389 |
| 1984 | 158,398,000 | 6,870,764 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 5,817,000 | $ 1.32 |
| 1987 | 5,923,000 | 1.47 |
| 1986 | 6,007,000 | 1.21 |
| 1985 | 5,975,000 | 1.72 |
| 1984 | 5,947,000 | 1.16 |

* Includes service charges and credit life insurance revenues.
# Based on the average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.6775 | — | — |
| 1987 | 0.655 | — | — |
| 1986 | 0.60 | — | 2-for-1 |
| 1985 | 0.54 | — | — |
| 1984 | 0.48 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1988 | $ 72,469,000 | $ 12.47 |
| 1987 | 66,877,000 | 11.30 |
| 1986 | 62,506,000 | 10.44 |
| 1985 | 57,572,985 | 9.60 |
| 1984 | 48,774,501 | 8.22 |

+ Adjusted to reflect stock split.

**Income Account ***

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 227,997,000 | $ 217,467,000 |
| Cost of sales | 134,340,000 | 119,152,000 |
| Credit service & credit life insur. revenue | (11,971,000) | (11,822,000) |
| Expenses | 87,130,000 | 89,457,000 |
| Interest expense | 7,442,000 | 5,709,000 |
| Losses on accounts | 2,196,000 | 2,327,000 |
| Other income | (2,245,000) | (1,987,000) |
| Income before taxes | $ 10,905,000 | $ 14,631,000 |

## Haverty Furniture Companies, Inc.

| | | |
|---|---|---|
| Income taxes | 3,251,000 | 5,929,000 |
| Net Income | $ 7,654,000 | $ 8,702,000 |

° Included in Costs and Expenses, Depreciation and Amortization: $4,590,000 in 1988 and $3,948,000 in 1987.

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 4,069,000 | $ 2,120,000 |
| Accts. receiv., net | 78,280,000 | 74,077,000 |
| °Inventories | 40,159,000 | 39,677,000 |
| Prepaid expenses | 976,000 | 1,134,000 |
| Current Assets | $ 123,484,000 | $ 117,008,000 |
| #Fixed assets | 60,270,000 | 58,824,000 |
| Other assets | 3,128,000 | 2,362,000 |
| Total Assets | $ 186,882,000 | $ 178,194,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,255,000 | $ 5,484,000 |
| Cap. lease oblig., curr. | 379,000 | 366,000 |
| Accts. payable & accruals | 18,694,000 | 18,068,000 |
| Income taxes | 7,451,000 | 12,983,000 |
| Curr. Liabilities | $ 28,779,000 | $ 36,901,000 |
| Long-term debt | 74,505,000 | 63,111,000 |
| Cap. lease oblig. | 6,573,000 | 7,497,000 |
| Deferred inc. taxes | 2,817,000 | 2,289,000 |
| Other liabilities | 1,739,000 | 1,519,000 |
| +Common stock | 3,501,000 | 3,446,000 |
| +Class A Common stock | 2,622,000 | 2,661,000 |
| Add. paid-in capital | 6,078,000 | 5,972,000 |
| Retained earnings | 63,810,000 | 58,139,000 |
| Treasury stock | (3,542,000) | (3,341,000) |
| Total Liabilities & Shareholders' Equity | $ 186,882,000 | $ 178,194,000 |

° At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.78 | 6.73 |
| %Net Income to Sales | 3.36 | 4.00 |
| %Net Income to Equity | 10.56 | 13.01 |
| Sales to Inventories | 5.68 | 5.48 |
| Debt to Equity | 1.16 | 1.14 |
| Working Capital | $ 94,705,000 | $ 80,107,000 |
| Current Ratio | 4.29 | 3.17 |
| Shareholders' Equity | $ 72,469,000 | $ 66,877,000 |

## Hechinger Company

3500 Pennsy Drive
Landover, Maryland 20785
(301) 341-1000

**Officers:** John W. Hechinger, co-chairman of the board & co-chief executive officer; Richard England, co-chairman of the board & co-chief executive officer; John W. Hechinger, Jr., president & chief operating officer; Stephen E. Bachand, exec. v.p.; Richard L. Ponton, sr. v.p. & dir.-stores; Sally A. Courtney, sr. v.p.-gen. merchandise mgr.; Joan S. England, sr. v.p.; Catherine S. Russell, sr. v.p.-human resources; S. Ross Hechinger, sr. v.p.-distribution; Roger K. Wright, sr. v.p.-real estate & development; W. Clark McClelland, sr. v.p.-finance; Lennie H. Zaller, v.p. & treasurer; Robert G. DeMarco, v.p.-management information services; Joanne M. Barrett, v.p. & div. merchandise manager; Gerald W. Brase, v.p. & div. merchandise manager; George L. Kelly, v.p. & div. merchandise manager; John R. McGrath, v.p. & regional mgr.; Gary G. Rhea, v.p. & regional mgr.; Cary G. Adams, v.p.-real estate; Karen A. Egerer, v.p. & controller; Arthur C. Holmes, v.p.-credit sales; James F. Iampieri, v.p.-merchandise administration; Raymond B. Nicholson, Jr., v.p.-distribution; Richard A. Poviak, v.p.-loss prevention; Sharon A. Virga, v.p.-taxation; Pamela D. Redfern, corp. secretary.

**Directors:** Richard England, John W. Hechinger, Stephen E. Bachand, W. Clark McClelland, Richard L. Ponton, Sally A. Courtney, John W. Hechinger, Jr., Joan S. England, S. Ross Hechinger, Catherine S. Russell, Roger K. Wright, Herbert J. Broner, David O. Maxwell.

**Business Activities:** Operates home-center stores under the names Hechinger, Home Quarters, and Triangle, in Washington D.C., Maryland, Virginia, Pennsylvania, North Carolina, Ohio, South Carolina, New Jersey, New York, Connecticut, Georgia and Florida. These stores offer for retail sale a comprehensive selection of lumber, building materials, hardware, tools, housewares, paint, garden supplies and furniture, and electrical and plumbing supplies.

**Subsidiary:**

Home Quarters Warehouse, Inc.
2866 Virginia Beach Boulevard
Virginia Beach, Virginia 23452
(804) 498-7100
Operates seven home-center stores in North Carolina, South Carolina, Virginia, Georgia and Florida.

**Acquisition:**

Triangle Building Centers
Operates six home center stores in central Pennsylvania.

**Transfer Agent(s):**

First Union National Bank
Securities Transfer Dept. CMG-5
Charlotte, North Carolina 28288

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** HECHA and HECHB (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 92 | 1986 | 54 |
| 1988 | 78 | 1985 | 47 |
| 1987 | 62 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 1,019,399,000 | $ 48,816,000 |
| 1988 | 725,123,000 | 41,904,000 |
| 1987 | 588,392,000 | 28,254,000 |
| 1986 | 479,040,000 | 23,111,000 |
| 1985 | 405,077,000 | 20,923,000 |

| | No. of Com. Shares + | Earn. per Share + |
|---|---|---|
| 1989 | 40,769,995 | $ 1.30 |
| 1988 | 37,036,877 | 1.22 |
| 1987 | 30,714,227 | 0.92 |
| 1986 | 29,826,832 | 0.77 |
| 1985 | 28,503,762 | 0.73 |

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.22 | — | — |
| 1988 | 0.22 | — | — |
| 1987 | 0.21 | — | 5-for-4 |
| 1986 | 0.18 | — | 5-for-4 |
| 1985 | 0.16 | — | — |

† Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 366,297,000 | $ 9.89 |
| 1988 | 319,985,000 | 8.64 |
| 1987 | 198,529,000 | 6.46 |
| 1986 | 171,724,000 | 5.76 |
| 1985 | 121,014,000 | 4.25 |

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account °**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,019,399,000 | $ 725,123,000 |
| Other income | 10,190,000 | 17,176,000 |
| Total income | $ 1,029,589,000 | $ 742,299,000 |
| Cost of sales | 753,899,000 | 528,637,000 |
| Expenses | 199,448,000 | 140,627,000 |
| Interest expense | 10,851,000 | 13,451,000 |
| Income before taxes | $ 65,391,000 | $ 59,584,000 |
| Income taxes | 16,575,000 | 19,610,000 |
| Cum. effect of accntg. change | — | (1,930) |
| Net Income | $ 48,816,000 | $ 41,904,000 |

° Included in Costs & Expenses, Depreciation & Amortization: $18,110,000 in 1989 and $10,669,000 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 6,792,000 | $ 4,125,000 |
| Marketable securities | 135,343,000 | 251,054,000 |
| Accts. receiv., net | 68,355,000 | 55,907,000 |
| °Inventories | 176,578,000 | 133,319,000 |
| Prepaid expenses | 17,368,000 | 9,705,000 |
| Current Assets | $ 404,436,000 | $ 456,110,000 |
| #Fixed assets | 185,120,000 | 119,749,000 |
| Intangibles | 65,921,000 | — |
| Leasehold acquis. costs | 17,240,000 | — |
| Other assets | 7,824,000 | 5,535,000 |
| Total Assets | $ 680,541,000 | $ 579,394,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt and cap. lease oblig., curr. | $ 875,000 | $ 421,000 |
| Accts. payable & accruals | 103,574,000 | 79,115,000 |
| Inc. taxes payable | — | 307,000 |
| Curr. Liabilities | $ 104,449,000 | $ 79,843,000 |
| Long-term debt & cap. lease oblig. | 178,923,000 | 152,757,000 |
| Deferred inc. taxes | 14,550,000 | 13,316,000 |
| Deferred rent | 16,322,000 | 13,493,000 |
| +Class A common stock | 2,125,000 | 2,032,000 |
| +Class B common stock | 1,505,000 | 1,596,000 |
| Add. paid-in capital | 168,416,000 | 168,473,000 |
| Retained earnings | 197,182,000 | 151,452,000 |
| Treasury stock | (2,931,000) | (3,568,000) |
| Total Liabilities & Shareholders' Equity | $ 680,541,000 | $ 579,394,000 |

° At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.41 | 8.22 |
| %Net Income to Sales | 4.79 | 5.78 |
| %Net Income to Equity | 13.33 | 13.10 |
| Sales to Inventories | 5.77 | 5.44 |
| Debt to Equity | 0.49 | 0.48 |
| Working Capital | $ 299,987,000 | $ 376,267,000 |
| Current Ratio | 3.87 | 5.69 |
| Shareholders' Equity | $ 366,297,000 | $ 319,985,000 |

## Heck's, Inc.

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)

Hub Industrial Park, McJunkin Road
P.O. Box 158
Nitro, West Virginia 25143
(304) 755-8331

**Officers:** John R. Isaac, Jr., chairman of the board, president & chief executive officer; Maarten D. Hemsley, exec. v.p.-finance, treasurer & chief financial officer; Kathy M. Hurley, executive v.p.-merchandise; Larry L. Linville, senior v.p.-administration; David R. Loveless, v.p.-operations; Donald R. Bain, v.p.-store development/loss prevention; George W. Mitchell, III, controller & chief accounting officer; William K. Bragg, Jr., v.p., secretary & general counsel.

**Directors:** John R. Isaac, Jr., chairman; William K. Bragg, Jr., Brenda H. Cole, Gerald A. Eppner, Maarten D. Hemsley, Kathy M. Hurley, Harold Sampson.

**Business Activities:** Operates discount department stores in seven states in the East and Midwest engaged in retailing clothing, home furnishings, hardware, auto accessories, housewares, toys, and sporting goods. Also operates a wholesale distribution company, which is engaged in the distribution of automotive accessories to retailers.

**Divisions and Subsidiaries:**

Maloney Enterprises, Inc.
Mt. Sterling, Kentucky
Chain of 26 department stores located in Kentucky, West Virginia, Virginia and Tennessee.

Harris & Frank, Inc.
Wholesale distribution of automotive accessories.

**Transfer Agent(s):**

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

**Stock Exchange(s):** New York

**Ticker Symbol:** HEX

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 120 | 1984 | 125 |
| 1986 | 158 | 1983 | 122 |
| 1985 | 166 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 2/27/88* | $ 304,278,000 | $ (27,747,000) |
| 5/30/87‡ | 148,168,000 | (35,769,000) |
| 1/3/87 | 556,346,000 | (18,269,000) |
| 12/28/85 | 523,332,000 | (4,908,000) |
| 12/29/84 | 464,734,000 | (7,782,000) |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 2/27/88* | 8,876,062 | $ — |
| 5/30/87‡ | 8,876,062 | — |
| 1/3/87 | 8,910,782 | — |
| 12/28/85 | 8,866,809 | — |
| 12/29/84 | 9,002,897 | — |

(Loss)
* 9 months.
‡ 5 months.
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

**Revenues by Line of Business**
(000's)

| | 2/27/88 | 5/30/87 |
|---|---|---|
| Discount dept. stores | $ 287,387 | $ 125,937 |
| Wholesale distributors | 33,930 | 36,580 |
| Other industries | 596 | 331 |
| Eliminations | (13,532) | (13,133) |
| Total | $ 308,381 | $ 149,715 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 2/27/88 | $ — | — | — |
| 5/30/87 | — | — | |
| 1/3/87 | 0.09 | — | — |
| 12/28/85 | 0.28 | — | — |
| 12/29/84 | 0.28 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 2/27/88 | $ 7,605,000 | $ 0.86 |
| 5/30/87 | 35,352,000 | 3.98 |
| 1/3/87 | 71,384,000 | 8.01 |
| 12/28/85 | 90,715,000 | 10.23 |
| 12/29/84 | 98,026,000 | 10.89 |

‡ Based on the weighted average number of common shares outstanding.

**Income Account ***
(000's)

| Year ended | 2/27/88 (9 months) | 5/30/87 (5 months) |
|---|---|---|
| Net sales | $ 304,278 | $ 148,168 |
| Other income | 4,103 | 1,547 |
| Total income | $ 308,381 | $ 149,715 |
| Cost of sales | 251,215 | 121,871 |
| Expenses | 72,652 | 41,100 |
| Interest expense | 5,186 | 3,268 |
| Prov. for store clos. | 5,318 | 12,364 |
| Prov. for reorg. | 1,983 | 5,717 |
| Loss bef. taxes | $ (27,973) | $ (34,605) |
| Income taxes (credit) | (226) | 123 |
| Cum. effect of accntg. change | — | 1,041 |
| Net Loss | $ (27,747) | $ (35,769) |

* Included in Costs and Expenses, Depreciation and Amortization: $6,077,000 in 1988 and $4,221,000 in 1987.

**Assets**
(000's)

| As of | 2/27/88 | 5/30/87 |
|---|---|---|
| Cash | $ 3,457 | $ 3,825 |
| Short-term invest. | 18,868 | 21,231 |
| Accts. receiv., net | 11,262 | 11,177 |
| *Inventories | 84,746 | 88,530 |
| Refund. inc. taxes | 710 | 6,171 |
| Other assets | 6,838 | 5,128 |
| Net assets held for resale | 3,512 | 12,743 |
| Current Assets | $ 129,393 | $ 148,805 |
| Investments | 4,141 | 4,285 |
| #Fixed assets | 63,552 | 70,043 |
| Assets under cap. leases | 10,847 | 12,394 |
| Other assets | 3,837 | 2,915 |
| Total Assets | $ 211,770 | $ 238,442 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 67 | $ 299 |
| Cap. lease oblig. curr. | 1,128 | 1,162 |
| Accts. payable | 22,251 | 14,982 |
| Income taxes | 423 | — |
| Accrued reorg. costs | 4,813 | 5,440 |
| Accrued comp. | 2,177 | 2,566 |
| Accrued taxes | 1,685 | 3,428 |
| Other liabilities | 4,996 | 6,182 |
| Curr. Liabilities | $ 37,540 | $ 34,059 |
| Liab. deferred-Chapter XI | 144,951 | 144,821 |
| Long-term debt | — | 750 |
| Cap. lease oblig. | 15,399 | 17,251 |
| Deferred credits | 2,793 | 2,727 |
| Redeem. preferred stock | 3,482 | 3,482 |
| +Common stock | 928 | 928 |
| Add. paid-in capital | 19,493 | 19,493 |
| Retained earnings (deficit) | (7,661) | [illegible] |
| Treasury stock | (5,155) | (5,155) |
| Total Liabilities & Shareholders' Equity | $ 211,770 | $ 238,442 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 3.59 | 1.67 |
| Debt to Equity | 2.18 | 0.55 |
| Working Capital | $ 91,853,000 | $ 114,746,000 |
| Current Ratio | 3.45 | 4.37 |
| Shareholders' Equity | $ 7,605,000 | $ 35,352,000 |

## Heilig-Meyers Company

2235 Staples Mill Road
Richmond, Virginia 23230
(804) 359-9171

**Officers:** William C. DeRusha, chairman of the board & chief executive officer; Troy A. Peery, Jr., president & chief operating officer; Joseph R. Jenkins, exec. v.p. & chief financial officer; James R. Riddle, exec. v.p.-marketing; William J. Dieter, sr. v.p.-accounting & controller; William E. Helms, sr. v.p.-corp. expansion; R. Gene Laughter, sr. v.p.-advertising & sales promotion; John H. Saiffin, sr. v.p.-merchandising administration; James M. Glover, regional v.p.-operations; John M. Hamilton, regional v.p.-operations; Roy W. Page, regional v.p.-operations; Roy B. Goodman, v.p., secretary & treasurer; Dennis B. Harrell, v.p.-management information systems; Alan E. Lese, v.p.-merchandising/upholstery; Ronald M. Ragland, v.p.-human resources; Sara J. Struckell, v.p.-operations administration; Frederick D. Wood, v.p.-operations; Bryan H. Beam, v.p.-distribution; James E. Taylor, v.p.-merchandising/case goods.

**Directors:** William C. DeRusha, chairman; S. Sidney Meyers, Hyman Meyers, Nathaniel Krumbein, Lawrence N. Smith, Benjamin F. Edwards, III, Alexander Alexander, Troy A. Peery, Jr., Robert L. Burrus, Jr., George A. Thornton, III, Alan G. Fleischer, Arthur D. Charpentier.

**Business Activities:** Operates a chain of 277 home furnishings retail stores in 11 southern states.

**Subsidiaries:**

Caplan Furniture Company
Caplan Furniture Company of Logan, Inc.
Heilig-Meyers Company of Georgia
Heilig-Meyers Company of North Carolina
Heilig-Meyers Company of South Carolina, Inc.
Heilig-Meyers Company of Tennessee
Heilig-Meyers Company of Virginia
Heilig-Meyers Company of West Virginia
Sterchi Brothers Stores, Inc.
Thomas Furniture, Inc.

all located at:
3228 West Cary Street
Richmond, Virginia 23221

Reliable Stores, Inc.
Columbia, Maryland
Operates 22 homes furnishings retail stores.

**Transfer Agent(s):**

Crestar Bank
919 East Main Street
Richmond, Virginia 23219

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** HMY

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 277 | 1986 | 216 |
| 1988 | 258 | 1985 | 127 |
| 1987 | 220 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 294,844,000 | $ 17,061,000 |
| 1988 | 253,792,000 | 15,514,000 |
| 1987 | 226,186,000 | 13,541,000 |
| 1986 | 152,722,000 | 10,232,000 |
| 1985 | 140,933,000 | 11,749,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 10,559,000 | $ 1.62 |
| 1988 | 10,639,000 | 1.46 |
| 1987 | 10,440,000 | 1.30 |
| 1986 | 9,582,000 | 1.07 |
| 1985 | 9,394,000 | 1.25 |

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.36 | — | — |
| 1988 | 0.32 | — | |
| 1987 | 0.28 | — | — |
| 1986 | 0.28 | — | 3-for-2 |
| 1985 | 0.24 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 155,369,000 | $ 14.71 |
| 1988 | 142,109,000 | 13.36 |
| 1987 | 131,312,000 | 12.58 |
| 1986 | 91,787,000 | 9.58 |
| 1985 | 79,303,000 | 8.44 |

‡ Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended March 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 294,844 | $ 253,792 |
| Other income | 56,792 | 49,753 |
| Total Income | $ 351,636 | $ 303,545 |
| Cost of sales | 186,436 | 160,543 |
| Expenses | 100,821 | 87,726 |
| Prov. for doubtful accts. | 22,702 | 17,550 |
| Interest expense | 15,059 | 13,037 |
| Income before taxes | $ 26,538 | $ 24,689 |
| Income taxes | 9,477 | 9,175 |
| Net Income | $ 17,061 | $ 15,514 |

* Included in Costs and Expenses, Depreciation and Amortization: $10,045,000 in 1989 and $9,085,000 in 1987.

**Assets**
(000's)

| As of March 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 5,344 | $ 3,921 |
| Accts. receiv., net | 234,505 | 214,280 |
| Other receiv. | 20,544 | 8,263 |
| *Inventories | 112,279 | 79,672 |
| Prepaid expenses | 7,754 | 8,327 |
| Current Assets | $ 380,426 | $ 314,463 |
| #Fixed assets | 92,998 | 89,330 |
| Other assets | 5,364 | 3,636 |
| Intangibles | 20,410 | 17,933 |
| Total Assets | $ 499,198 | $ 425,362 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 127,100 | $ 114,000 |
| Long-term debt, curr. | 2,062 | 2,163 |
| Accts. payable | 20,790 | 13,565 |
| Accruals | 20,677 | 13,149 |
| Defered income taxes | — | 523 |
| Income taxes payable | 447 | 6,894 |
| Curr. Liabilities | $ 171,076 | $ 150,294 |
| Long-term debt | 153,918 | 112,031 |
| Deferred comp. | 803 | 863 |
| Deferred inc. taxes | 18,032 | 20,065 |
| +Common stock | 21,119 | 21,119 |
| Add. paid-in capital | 43,518 | 43,518 |
| Retained earnings | 90,732 | 77,472 |
| Total Liabilities & Shareholders' Equity | $ 499,198 | $ 425,362 |

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $2 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Total Income | 9.00 | 8.13 |
| %Net Income to Total Income | 5.79 | 5.11 |
| %Net Income to Equity | 10.98 | 10.92 |
| Sales to Inventories | 3.70 | 3.19 |
| Debt to Equity | 1.82 | 1.61 |
| Working Capital | $ 209,350,000 | $ 164,169,000 |
| Current Ratio | 2.22 | 2.09 |
| Shareholders' Equity | $ 155,369,000 | $ 142,109,000 |

## Highland Superstores, Inc.

909 North Sheldon Road
Plymouth, Michigan 48170
(313) 451-3200

**Officers:** David S. Mondry, chairman of the board; Eugene P. Mondry, president & chief executive officer; Ira S. Mondry, exec. v.p. & chief operating officer; Yale Levin, sr. v.p.-finance & administration & chief financial officer; Richard A. Brouwer, v.p.-Northeast region; Harry A. Limatteo, v.p.-special projects; William F. O'Brien, v.p.-operations; Paul J. Ruggirello, v.p.-Great Lakes region; Donald S. Wysocki, v.p.-Central region; Louis F. Bernucca, sr. v.p.-marketing; Ira Sternbach, treasurer; David K. Page, secretary; John B. Brownson, Jr., v.p. & controller; Joseph G. Henderson, v.p. & national merchandise mgr.-major appliance & seasonal products; Charles A. Bale, v.p. & national merchandise mgr.-hi fi; George B. Buick, v.p.-information systems; Frank C. Ferriolo, v.p.-advertising; Daniel J. Mitchell, v.p.-real estate; Lawrence N. Mondry, v.p. & national merchandise mgr.-TV, video and home office; Mitchell A. Mondry, v.p.-customer service; David V. Monteith, v.p.-human resources; Judith M. Thomas, v.p.-administrative services; Robert G. Valentine, Jr., v.p.-Southwest region; Danette Wineberg, v.p. & corp. counsel.

**Directors:** David S. Mondry, chairman; Eugene P. Mondry, Ira S. Mondry, Richard H. Cummings, David K. Page, Jack A. Robinson, Fred G. Secrest, Yale Levin.

**Business Activities:** Operates 84 consumer electronics and major home appliance retail stores in Michigan, Ohio, Indiana, Illinois, Texas, Louisiana, Wisconsin, Minnesota, Massachusetts, New York, New Hampshire and Rhode Island.

**Transfer Agent(s):**

National Bank of Detroit
611 Woodward
Detroit, Michigan 48226

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** HIGH (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 84 | 1986 | 40 |
| 1988 | 72 | 1985 | 32 |
| 1987 | 53 | | |

**Sales & Earnings**

| | Net Sales † | Net Income |
|---|---|---|
| 1989 | $ 910,747,000 | $ 7,244,000 |
| 1988 | 753,446,000 | 13,945,000 |
| 1987 | 656,456,000 | 20,214,000 |
| 1986 | 520,527,000 | 23,602,000 |
| 1985* | 358,584,000 | 14,775,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 18,257,840 | $ 0.40 |
| 1988 | 18,257,840 | 0.76 |
| 1987 | 18,257,631 | 1.11 |
| 1986 | 17,376,480 | 1.36 |
| 1985* | 15,195,550 | 0.97 |

* Pro forma.
† Includes other income.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 135,388,000 | $ 7.42 |
| 1988 | 128,144,000 | 7.02 |
| 1987 | 114,094,000 | 6.25 |
| 1986 | 93,869,000 | 5.40 |
| 1985 | 17,731,000 | 1.17 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 910,747 | $ 753,446 |
| Cost of sales | 626,641 | 521,879 |
| Expenses | 265,215 | 213,901 |
| Interest expense | 8,737 | 6,467 |
| Interest income | (921) | (2,426) |
| Other expense (income) | (190) | 304 |
| Income before taxes | $ 11,265 | $ 13,321 |
| Income taxes | 4,021 | 5,061 |
| Cum. effect of change in accntg. meth. | — | (5,685) |
| Net Income | $ 7,244 | $ 13,945 |

* Including in Costs and Expenses, Depreciation and Amortization: $12,140,000 in 1989 and $8,890,000 in 1988.

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 4,159 | $ 9,755 |
| Accts. receiv., net | 5,488 | 15,260 |
| *Inventories | 205,134 | 162,452 |
| Prepaid expenses | 3,229 | 3,357 |
| Current Assets | $ 218,010 | $ 190,824 |
| Investments | 4,824 | 4,096 |
| #Fixed assets | 120,539 | 100,286 |
| Other assets | 1,325 | 1,302 |
| Total Assets | $ 344,698 | $ 297,308 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term borrowings | $ 21,000 | $ 12,000 |
| Long-term debt, curr. | 3,190 | 1,927 |
| Accts. payable | 55,053 | 45,256 |
| Accruals | 38,687 | 33,911 |
| Deferred income taxes | 551 | 2,256 |
| Curr. Liabilities | $ 118,481 | $ 95,350 |
| Long-term debt | 82,951 | 69,744 |
| Deferred inc. taxes | 7,878 | 4,070 |
| +Common stock | 183 | 183 |
| Add. paid-in capital | 52,919 | 52,919 |
| Retained earnings | 82,286 | 75,042 |
| Total Liabilities & Shareholders' Equity | $ 344,698 | $ 297,308 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.24 | 1.77 |
| %Net Income to Sales | 0.80 | 1.85 |
| %Net Income to Equity | 5.35 | 10.88 |
| Sales to Inventories | 4.44 | 4.64 |
| Debt to Equity | 0.79 | 0.65 |
| Working Capital | $ 99,529,000 | $ 95,474,000 |
| Current Ratio | 1.84 | 2.00 |
| Shareholders' Equity | $ 135,388,000 | $ 128,144,000 |

## Hills Department Stores, Inc.

15 Dan Road
Canton, Massachusetts 02021
(617) 821-1000

**Officers:** Stephen A. Goldberger, chairman, president & chief executive officer; George R. Friese, vice chairman; John C. Brouillard, sr. v.p.-finance & administration; Stephen A. Feldman, v.p. & treasurer; William K. Friend, v.p., secretary & corporate counsel; John G. Rees, v.p. & controller; Raymond Brinkman, sr. v.p.-operations; Eugene J. O'Donnell, sr. v.p.-general merchandise mgr.; Andrew J. Samuto, sr. v.p.-real estate development & human resources; David Rudnick, president-Rudnick & Sons, Inc. and the Rudnick Division of Hills Stores.

**Directors:** Stephen A. Goldberger, chairman; George R. Friese, Dean C. Kehler, Thomas H. Lee, James L. Moody, Jr., Robert D. Buzzell.

**Business Activities:** Operates 167 discount department stores in 14 eastern and central states.

**Divisions:**

Rudnick Division
Operates leased domestics departments in all of the Company's department stores.

**Transfer Agent(s):**

Bankers Trust Company
P.O. Box 9006
Church Street Station
New York, New York 10249

**Stock Exchange(s):** New York

**Ticker Symbol:** HDS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 167 | 1985 | 125 |
| 1987 | 151 | 1984 | 123 |
| 1986 | 136 | | |

**Sales & Earnings**

| | Net Sales | Net Income x |
|---|---|---|
| 1/28/89 | $ 1,670,866,000 | $ 14,193,000 |
| 1/30/88 | 1,514,300,000 | 32,500,000 |
| 1/31/87 | 1,343,100,000 | (14,800,000) |
| 1/25/86° | 163,600,000 | (16,800,000) |
| 12/10/85+# | 1,320,000,000 | 23,200,000 |

| | No. of Com. Shares † | Earn. per Share x‡ |
|---|---|---|
| 1/28/89 | 19,151,228 | $ 0.60 |
| 1/30/88 | 19,044,228 | 1.31 |
| 1/31/87 | 14,963,373 | — |
| 1/25/86° | 15,000,000 | — |

(Loss)
° 6 weeks.
+ 46 weeks.
# Predecessor company.
x Including extraordinary gain of $12,250,000 ($0.71 per share) in 1988.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1/30/88 | — | — | — |
| 1/31/87 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1/28/89 | $ 10,712,000 | $ 0.56 |
| 1/30/88 | (2,110,000) | — |
| 1/31/87 | (40,715,000) | — |
| 1/25/86 | (10,340,000) | — |

(Deficiency)

**Income Account °**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,670,866 | $ 1,514,329 |
| Cost of Sales | 1,196,863 | 1,077,645 |
| Expenses | 376,350 | 333,149 |
| Interest expense | 76,557 | 67,973 |
| Interest income | (903) | (1,287) |
| Other expense | 3,423 | 3,002 |
| Income before taxes | $ 18,576 | $ 33,847 |
| Income taxes | 8,025 | 13,600 |
| Net income | $ 10,551 | $ 20,247 |
| Extraord. gain | — | 12,250 |
| Cum. effect of acct. change | 3,642 | — |
| Net income & extraord. gain | $ 14,193 | $ 32,497 |

° Included in Costs and Expenses, Depreciation and Amortization: $37,959,000 in 1988 and $34,459,000 in 1987.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 6,120 | $ 9,317 |
| Accts. receiv., net | 12,767 | 9,431 |
| *Inventories | 268,846 | 232,675 |
| Other curr. assets | 894 | 244 |
| Current Assets | $ 288,627 | $ 251,667 |
| #Fixed assets | 365,639 | 267,451 |
| Oper. lease rights | 68,590 | 72,003 |
| Other assets | 11,004 | 1,142 |
| Deferred fin. costs | 13,539 | 16,364 |
| Intangibles | 152,130 | 156,255 |
| Total Assets | $ 899,529 | $ 764,882 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 25,340 | $ 23,125 |
| Cap. lease oblig., curr. | 4,017 | 3,099 |
| Accts. payable | 111,953 | 125,774 |
| Borrowings-working cap. loan | 14,000 | — |
| Accruals | 120,295 | 107,492 |
| Curr. Liabilities | $ 275,605 | $ 259,490 |
| Long-term debt | 332,664 | 306,691 |
| Oblig. under cap. leases | 199,382 | 122,349 |
| Jr. subord. deben. | 38,968 | 38,891 |
| Other liabilities | 16,827 | 16,032 |
| Redeem. preferred stock | 25,371 | 23,539 |
| +Common stock | 192 | 192 |
| Add. paid-in capital | 51,808 | 51,769 |
| Retained earnings (deficit) | (40,979) | (52,494) |
| Treasury stock | — | (761) |
| Unamort. comp. on restricted stock | (309) | (816) |
| Total Liabilities & Shareholders' Equity | $ 899,529 | $ 764,882 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.11 | 2.24 |
| %Net Income to Sales | 0.63 | 1.34 |
| Sales to Inventories | 6.21 | 6.51 |
| Working Capital | $ 13,022,000 | — |
| Current Ratio | 1.05 | — |
| Shareholders' Equity (Deficiency) | $ 10,712,000 | $ (2,110,000) |

## D. H. Holmes Company, Limited

(Acquired by Dillard Department Stores, Inc. on May 9, 1989.)

819 Canal Street
New Orleans, Louisiana 70112
(504) 561-6611

**Officers:** Donald W. Johnston, chairman of the board, president & chief exec. officer; James W. Graf, exec v.p.-merchandising, adv., sales promotion & physical properties; James E. Ammon, exec. v.p.-finance; Raymond E. Weidenbacher, sr. v.p. & dir.-stores; Louis R. Roussel, sr. v.p.-physical properties & merchandise presentation; Robert G. Morgan, sr. v.p.-personnel & operations; Paul R. Falter, sr. v.p., controller, treasurer & asst. secretary; E. Stewart Maunsell, II, v.p. & secretary; M. Elizabeth Tahir, v.p. & gen. mdse. mgr.; Ana Lynne Strug, v.p. & gen. mdse. mgr.; R. Stephen Wall, v.p. & gen. mdse. mgr.; Kenneth J. DeZwaan, v.p. & sr. store mgr.; John N. Kuchler, v.p. & sr. store mgr.; Jay F. Hebert, v.p.-public affairs; William G. Turner, v.p. & plant superintendent; Phyllis A. Covelli, v.p. & sales promotion director; Louis J. Dontas, v.p.- management information services.

## D. H. Holmes Company, Limited

**Directors:** E. Stewart Maunsell, II, Frank E. Schmidt, Donald J. Nalty, James E. Ammon, Sidney W. Lassen, John F. Bricker, Harry McCall, Jr., Donald W. Johnston, Alden J. Laborde, Robert R. Broadbent.

**Business Activities:** Operates 19 department stores in Alabama, Louisiana, Florida and Mississippi. Also operates four separate shoe stores and two clearance centers; and 13 car care centers under a lease/management agreement with the Goodyear Tire and Rubber Company.

**Subsidiaries:**

D. H. Holmes Realty, Inc.
D. H. Credit Corporation (unconsolidated)
D. H. Holmes B. R., Inc.

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 19 | 1985 | 15 |
| 1987 | 19 | 1984 | 14 |
| 1986 | 18 | | |

* Department stores only.

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1988 | $ 274,929,000 | $ 1,554,000 |
| 1987 | 270,434,000 | 355,000 |
| 1986 | 272,819,000 | 3,375,000 |
| 1985 | 271,681,000 | 7,523,000 |
| 1984 | 253,844,000 | 8,458,000 |

| | No. of Com. Shares + | Earn. per Share # |
|---|---|---|
| 1988 | 3,563,032 | $ 0.44 |
| 1987 | 3,551,106 | 0.10 |
| 1986 | 3,400,156 | 0.97 |
| 1985 | 3,383,044 | 2.17 |
| 1984 | 3,364,306 | 2.80 |

‡ Including leased departments.
+ Adjusted to reflect stock dividend and stock split.
# Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.19 | — | — |
| 1987 | 0.85 | 3% | |
| 1986 | 0.97 | — | — |
| 1985 | 0.97 | — | — |
| 1984 | 0.95 | — | 2-for-1 |

‡ Adjusted to reflect stock dividend and stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 67,188,000 | $ 18.86 |
| 1987 | 67,833,000 | 19.10 |
| 1986 | 69,770,000 | 20.52 |
| 1985 | 69,370,000 | 20.51 |
| 1984 | 64,855,000 | 19.28 |

‡ Adjusted to reflect stock dividend and stock split.

**Income Account**

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Net sales | $ 274,929,000 | $ 270,434,000 |
| Cost of sales | 194,059,000 | 188,309,000 |
| Expenses | 53,145,000 | 53,271,000 |
| Depreciation & amortization | 9,179,000 | 8,792,000 |
| Prov. for doubtful accts. | 2,989,000 | $ 3,837,000 |
| Rents | 7,767,000 | 6,681,000 |
| Repair & maintenance | 2,194,000 | 2,188,000 |
| Interest expense | 9,846,000 | 10,473,000 |
| Pension plan costs | 1,919,000 | 1,875,000 |
| Pension plan asset reversion | — | (4,420,000) |
| Loss bef. taxes | $ (6,169,000) | $ (572,000) |
| Tax credit | (2,266,000) | (927,000) |
| Cum. effect of accntg. change | (5,457,000) | — |
| Net Income | $ 1,554,000 | $ 355,000 |

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ 5,778,000 | $ 2,543,000 |
| Accts. receiv., net | 19,652,000 | 19,386,000 |
| °Inventories | 39,480,000 | 40,808,000 |
| Inc. tax receiv. | 358,000 | 4,908,000 |
| Other current assets | 2,411,000 | 2,573,000 |
| Current assets | $ 67,679,000 | $ 70,218,000 |
| Investments | 217,000 | 7,001,000 |
| #Fixed assets | 85,022,000 | 109,541,000 |
| Other assets | 2,473,000 | 2,199,000 |
| Total Assets | $ 155,391,000 | $ 188,959,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 1,200,000 | $ 12,435,000 |
| Long-term debt, curr. | 1,229,000 | 2,310,000 |
| Accts. payable | 16,687,000 | 17,966,000 |
| Accruals | 5,193,000 | 4,[illegible],000 |
| Income taxes | 2,134,000 | 632,000 |
| Curr. Liabilities | $ 26,443,000 | $ 38,251,000 |
| Long-term debt | 40,585,000 | 90,628,000 |
| Deferred inc. taxes | 9,975,000 | 20,465,000 |
| Deferred credit | 11,200,000 | 11,782,000 |
| +Common stock | 9,106,000 | 9,077,000 |
| Add. paid in capital | 21,850,000 | 21,619,000 |
| Retained earnings | 39,020,000 | 38,133,000 |
| Treasury stock | (991,000) | (996,000) |
| Receiv. from emp. benefit plan | (1,797,000) | — |
| Total Liabilities & Shareholders' Equity | $ 155,391,000 | $ 188,959,000 |

° At LIFO cost.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Sales | 0.57 | 0.13 |
| %Net Income to Equity | 2.31 | 0.52 |
| Sales to Inventories | 6.96 | 6.63 |
| Debt to Equity | 0.64 | 0.96 |
| Working Capital | $ 41,236,000 | $ 31,967,000 |
| Current Ratio | 2.56 | 1.84 |
| Shareholders' Equity | $ 67,188,000 | $ 67,833,000 |

## The Home Depot, Inc.

2727 Paces Ferry Road
Atlanta, Georgia 30339
(404) 433-8211

**Officers:** Bernard Marcus, chairman, chief exec. officer & secretary; Arthur M. Blank, president & chief operating officer; Ronald M. Brill, sr. v.p., treasurer & chief financial officer; E. Dennis Ross, sr. v.p.-corporate information systems; Nathan Morton, sr. v.p.-operations; William E. Harris, sr. v.p.-corp. development; James Inglis, exec. v.p.-merchandising; Bruce Berg, sr. v.p.-merchandising, Eastern region; William J. Salyer, v.p.-construction & store planning; Larry Mercer, v.p.-store operations, East Coast; Donald P. McKenna, v.p.-human resources; Lawrence A. Smith, v.p.-legal & asst. secretary; Marshall L. Day, v.p. & controller; Lynn Martineau, v.p.-store operations, West Coast; Dennis Ryan, v.p.-merchandising, Northeast region; Bill Hamlin, v.p.-merchandising, Western region; Dick Hammill, v.p.-advertising & marketing.

**Directors:** Bernard Marcus, chairman; Arthur M. Blank, Ronald M. Brill, Berry R. Cox, Frederick Demattels, Milledge A. Hart, III, Kenneth G. Langone, Frank Borman, Alan D. Schwartz.

**Business Activities:** Operates a chain of 96 retail "warehouse" stores selling a wide assortment of building materials and home improvement products primarily to the "do-it-yourself" and home remodeling markets in the Southeast, Southwest, West Coast, and Northeast regions.

**Transfer Agent(s):**

Wachovia Bank and Trust Company N.A.
P.O. 3001
Winston-Salem, North Carolina 27102

**Stock Exchange(s):** New York

**Ticker Symbol:** HD

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 96 | 1986 | 60 |
| 1987 | 75 | 1985 | 50 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 1,999,514,000 | $ 76,753,000 |
| 1988 | 1,453,657,000 | 54,086,000 |
| 1987 | 1,011,462,000 | 23,873,000 |
| 1986 | 700,729,000 | 8,219,000 |
| 1985* | 432,779,000 | 14,122,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 51,255,000 | $ 1.50 |
| 1988 | 47,994,000 | 1.13 |
| 1987 | 39,870,000 | 0.60 |
| 1986 | 37,871,000 | 0.22 |
| 1985* | 37,953,000 | 0.37 |

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 382,938,000 | $ 7.47 |
| 1988 | 320,559,000 | 6.68 |
| 1987 | 163,042,000 | 4.09 |
| 1986 | 89,092,000 | 2.35 |
| 1985 | 80,214,000 | 2.11 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

| Year ended | 1/29/89 | 1/31/88 |
|---|---|---|
| Net sales | $ 1,999,514 | $ 1,453,657 |
| Cost of sales | 1,459,862 | 1,049,918 |
| Selling & oper. exp. | 356,831 | 263,212 |
| Preopening exp. | 7,552 | 4,608 |
| Gen. & adm. exp. | 48,485 | 37,678 |
| Interest expense | 1,702 | 3,416 |
| Interest income | (751) | (761) |
| Income before taxes | $ 125,833 | $ 95,586 |
| Income taxes | 49,080 | 41,500 |
| Net Income | $ 76,753 | $ 54,086 |

* Included in Costs and Expenses, Depreciation and Amortization: $14,673,000 in 1989 and $10,646,000 in 1988.

Assets
(000's)

| As of | 1/29/89 | 1/31/88 |
|---|---|---|
| Cash | $ 15,853 | $ 25,595 |
| Accts. receiv., net | 17,614 | 15,228 |
| *Inventories | 294,274 | 211,421 |
| Prepaid expenses | 9,201 | 5,043 |
| Current Assets | $ 336,942 | $ 257,287 |
| #Fixed assets | 332,416 | 244,503 |
| Other assets | 7,157 | 3,184 |
| Intangibles | 22,664 | 23,296 |
| Total Assets | $ 699,179 | $ 528,270 |

Liabilities
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 233 | $ 235 |
| Accts. payable | 126,431 | 93,859 |
| Accrued payroll | 22,027 | 22,021 |
| Other accruals | 43,378 | 27,322 |
| Income taxes | 2,067 | 3,229 |
| Curr. Liabilities | $ 194,136 | $ 146,666 |
| Long-term debt | 107,508 | 52,298 |
| Other long-term liabilities | 637 | 762 |
| Deferred inc. taxes | 13,960 | 7,985 |
| +Common stock | 2,511 | 2,470 |
| Add. paid-in capital | 214,818 | 203,755 |
| Retained earnings | 185,609 | 114,334 |
| ESOP shares | (20,000) | — |
| Total Liabilities & Shareholders' Equity | $ 699,179 | $ 528,270 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.29 | 6.58 |
| %Net Income to Sales | 3.84 | 3.72 |
| %Net Income to Equity | 20.04 | 16.87 |
| Sales to Inventories | 6.79 | 6.88 |
| Debt to Equity | 0.28 | 0.16 |
| Working Capital | $ 142,806,000 | $ 110,621,000 |
| Current Ratio | 1.74 | 1.75 |
| Shareholders' Equity | $ 382,938,000 | $ 320,599,000 |

## House of Fabrics, Inc.

13400 Riverside Drive
Sherman Oaks, California 91423
(818) 995-7000

**Officers:** Barney Sofro, chairman of the board; Gary L. Larkins, president & chief exec. officer; Donald R. Ardemagni, exec. v.p.-buying; Edward L. Chow, v.p.-chief information officer; Edwin F. Johnson, v.p.-construction; Marvin S. Maltzman, v.p., secretary & general counsel; Richard H. Shelton, v.p.-warehousing & distribution; William James Heaton, v.p.-finance & administration and chief financial officer; L. Jay Bowen, v.p.-notions buying; Gary A. Bunch, v.p.-sewing machine operations; James C. Webb, v.p.-real estate; Eric R. Schwarz, v.p.-inventory mgmt.; James R. Hartwig, v.p.-store operations & merchandising; John A. Sofro, v.p.-Fabric buying; F. Douglas Trovato, v.p.-crafts buying; Aurora Stewart, v.p., treasurer & asst. secretary; Donald W. Boyer, controller.

**Directors:** David L. Sofro, E. Ben Mitchell, Barney Sofro*, Charles Sofro, Gary L. Larkins*, James J. McMorrow.

* Member of the Executive Committee

**Business Activities:** Sells fabrics, needlecrafts, sewing machines and notions through 658 retail stores in 43 states. All of the company's stores located west of the Rocky Mountains are operated under the name "House of Fabrics." Most of its stores in other states are operated under the name "So-Fro Fabrics."

**Transfer Agent(s):**

Bank of America National Trust & Savings Association
55 Hawthorne St.
San Francisco, California 94105

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** HF

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 658 | 1986 | 730 |
| 1988 | 672 | 1985 | 760 |
| 1987 | 707 | | |

Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 338,010,000 | $ 11,361,000 |
| 1988 | 322,480,000 | 10,501,000 |
| 1987 | 316,366,000 | 6,191,000 |
| 1986 | 286,743,000 | 4,257,000 |
| 1985 | 278,256,000 | 11,332,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1989 | 6,596,745 | $ 1.69 |
| 1988 | 6,564,777 | 1.58 |
| 1987 | 6,556,977 | 0.94 |
| 1986 | 6,535,421 | 0.64 |
| 1985 | 6,492,177 | 1.71 |

‡ Based on the weighted average number of shares outstanding.

Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.48 | — | — |
| 1988 | 0.48 | — | — |
| 1987 | 0.48 | — | — |
| 1986 | 0.48 | — | — |
| 1985 | 0.40 | — | — |

Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 101,236,000 | $ 15.35 |
| 1988 | 92,718,000 | 14.12 |
| 1987 | 85,287,000 | 13.01 |
| 1986 | 82,094,000 | 12.56 |
| 1985 | 80,720,000 | 12.43 |

Income Account *
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 338,010 | $ 322,480 |
| Cost of sales | 154,223 | 150,376 |
| Expenses: | | |
| Store & oper. | 132,938 | 122,596 |
| Warehouse & adm. | 28,536 | 28,004 |
| Interest expense | 3,473 | 2,236 |
| Income before taxes | $ 18,840 | $ 19,268 |
| Income taxes | 7,479 | 8,767 |
| Net Income | $ 11,361 | $ 10,501 |

* Included in Costs and Expenses, Depreciation and Amortization: $6,286,000 in 1989 and $5,954,000 in 1988.

Assets
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 1,217 | $ 571 |
| Receiv. net | 3,427 | 5,932 |
| *Inventories | 129,735 | 133,608 |
| Prepaid expenses | 4,510 | 4,127 |
| Current Assets | $ 138,889 | $ 144,238 |
| #Fixed assets | 40,341 | 39,706 |
| Other assets | 985 | 680 |
| Total Assets | $ 180,215 | $ 184,624 |

Liabilities
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 334 | $ 349 |
| Accts. payable | 34,433 | 48,129 |
| Notes payable | 18,000 | 17,000 |
| Accruals | 10,111 | 10,168 |
| Income taxes | — | 637 |
| Curr. Liabilities | $ 62,878 | $ 76,283 |
| Def. inc. taxes | 4,201 | 3,887 |
| Long-term debt | 11,900 | 11,736 |
| + Common stock | 660 | 556 |
| Add. paid-in capital | 14,803 | 14,488 |
| Retained earnings | 85,773 | 77,574 |
| Total Liabilities & Shareholder's Equity | $ 180,215 | $ 184,624 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.57 | 5.97 |
| %Net Income to Sales | 3.36 | 3.26 |
| %Net Income to Equity | 11.22 | 11.33 |
| Sales to Inventories | 2.61 | 2.41 |
| Debt to Equity | 0.30 | 0.31 |
| Working Capital | $ 76,011,000 | $ 67,955,000 |
| Current Ratio | 2.21 | 1.89 |
| Shareholders' Equity | $ 101,236,000 | $ 92,718,000 |

## Hudson's Bay Company

401 Bay Street
Toronto, Ontario M5H 2Y4, Canada
(416) 861-6112

**Officers:** Donald S. McGiverin, governor; George J. Kosich, president & chief operating officer; Brian C. Grose, v.p. & controller; A. Ralph Hubard, v.p. & secretary; Gary J. Lukassen, sr. v.p.-finance & administration; Ronald N.D. Hogan, v.p.-credit; Donald C. Rogers, v.p.-real estate & development; Larry W. Rowe, v.p.-information services; John M. Cunningham, v.p.-operations; Sheila K. Walters, v.p.-store planning & construction; Raymond J. McDon-

## Hudson's Bay Company

ald, v.p.-distribution; David Crisp, v.p.-human resources; J.G. Hartman, v.p.-research & development; Kenneth C. Wong, asst. treasurer.

**Directors:** I. A. Barclay, M. Bélanger, Dawn R. McKeag, G. C. Hoyer Millar, D. S. McGiverin, Kenneth R. Thomson, John A. Tory*, W. Michael Brown, Peter W. Mills, George J. Kosich, David E. Mitchell, Gary J. Lukassen, David K. R. Thomson, Neil R. Wood.

* Member of the Executive Committee

**Business Activities:** Operates department stores in major Canadian cities under the names "The Bay," "Zellers," "Fields" and "Simpsons."

**Principal Subsidiaries:**

Markborough Properties, Inc.
Property development company.

Simpsons Limited
Operates department stores.

The Bay Dept. Stores
Operates department stores.

Zellers, Inc.
Operates department stores.

Fields Stores
Operates family clothing stores.

Hudson's Bay New York Inc.
Fur brokers.

**Transfer Agent(s):**

The Royal Trust Company
Calgary, Montreal, Toronto, Vancouver & Winnipeg

The Royal Bank of Scotland PLC
London, England

**Stock Exchange(s):** Montreal, Toronto.

**Ticker Symbol:** HBC

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 404 | 1985 | 581 |
| 1987 | 390 | 1984 | 586 |
| 1986 | 383 | | |

**Sales & Earnings**

| | Sales & Revenues † ('000's) | Net Income + ('000's) |
|---|---|---|
| 1988 | $ 4,671,740 | $ 22,172 |
| 1987 | 4,533,081 | (96,463) |
| 1986 | 4,364,370 | (7,395) |
| 1985 | 4,166,486 | (5,584) |
| 1984 | 3,716,404 | (107,434) |

| | No. of Com. Shares | Earn. per Share +‡ |
|---|---|---|
| 1988 | 30,992,635 | $ — |
| 1987 | 30,187,244 | — |
| 1986 | 29,532,745 | — |
| 1985 | 28,896,002 | — |
| 1984 | 23,787,166 | — |

(Loss)
† Of continuing operations only.
+ Including extraordinary gain of $3,471,000 in 1985 and extraordinary losses of $27,000,000 in 1988, $17,989,000 in 1987 and $40,373,000 in 1986.
‡ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.60 | — | — |
| 1987 | 0.60 | — | — |
| 1986 | 0.60 | — | — |
| 1985 | 0.60 | — | — |
| 1984 | 0.60 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 705,700,000 | $ 22.77 |
| 1987 | 714,404,000 | 23.67 |
| 1986 | 838,638,000 | 28.40 |
| 1985 | 880,753,000 | 30.49 |
| 1984 | 791,992,000 | 33.29 |

**Income Account ***
('000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales & revenues: | | |
| Merchandising | $ 4,491,037 | $ 4,344,844 |
| Real estate | 180,703 | 188,237 |
| Discont. operations | — | 312,097 |
| Total income | $ 4,671,740 | $ 4,845,178 |
| Cost of sales & exp. | 4,388,175 | 4,809,984 |
| Interest expense | 199,932 | 198,737 |
| Inc. (loss) bef. taxes | $ 83,633 | $ (163,543) |
| Income taxes (credit) | 34,461 | (85,069) |
| Net Income (Loss) | $ 49,172 | $ (78,474) |
| Extraord. loss | (27,000) | (17,989) |
| Net Income (Loss) & extraord. loss | $ 22,172 | $ (96,463) |

* Included in Costs and Expenses, Depreciation and Amortization: $71,135,000 in 1988 and $78,400,000 in 1987.

**Assets**
('000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 5,043 | $ 5,379 |
| Marketable securities | 30,344 | 25,261 |
| Accts. receiv., net | 1,040,474 | 1,027,663 |
| Recov. inc. taxes | — | 71,071 |
| *Inventories | 945,685 | 939,604 |
| Prepaid expenses | 46,237 | 37,796 |
| Current Assets | $ 2,067,783 | $ 2,106,774 |
| Investments | 103,077 | 74,089 |
| Secured receiv. | 50,168 | 146,481 |
| #Fixed assets | 837,101 | 847,439 |
| Land for sale & devel. | 221,992 | 207,599 |
| Defer. charges | 25,959 | 45,177 |
| Pension | 70,589 | 49,999 |
| Intangibles | 93,953 | 96,266 |
| Deferred inc. taxes | 18,517 | 40,375 |
| Total Assets | $ 3,489,139 | $ 3,614,199 |

**Liabilities**
('000's)

| | | |
|---|---|---|
| Notes payable | $ 339,723 | $ 374,319 |
| Bank indebtedness | 228,794 | 200,017 |
| Long-term debt, curr. | 129,468 | 240,829 |
| Accts. payable & accruals | 467,439 | 455,491 |
| Income taxes payable | 1,522 | — |
| Curr. Liabilities | $ 1,166,946 | $ 1,270,656 |
| Long-term debt | 1,272,212 | 1,272,207 |
| +Redeem. pref. stock | 342,846 | 355,399 |
| +Common stock | 422,452 | 406,566 |
| Add. paid-in capital | 15,837 | 13,837 |
| Retained earnings | 266,956 | 290,076 |
| Cum. trans. adjus. | 1,890 | 5,458 |
| Total Liabilities & Shareholders' Equity | $ 3,489,139 | $ 3,614,199 |

* At lower of cost and net realizable value. Retail inventories at average cost.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.79 | — |
| %Net Income to Sales | 1.05 | — |
| %Net Income to Equity | 4.68 | — |
| Debt to Equity | 1.88 | 1.95 |
| Working Capital | $ 900,837,000 | $ 836,118,000 |
| Current Ratio | 1.77 | 1.66 |
| Shareholders' Equity | $ 1,049,981,000 | $ 1,071,336,000 |

## Imasco Limited

4 Westmount Square
Montreal, Quebec H3Z 2S8, Canada
(514) 937-9111

**Officers:** Purdy Crawford, chairman, president & chief executive officer; Jean-Louis Mercier, vice chairman; W. John Bennett, sr. v.p.; Robert C. Begin, v.p.-treasury services; William J. Harris, sr. v.p.-administration; Roy R. Sciwartz, sr. v.p.-legal & corporate development; Raymond E. Guyatt, exec. v.p. & chief financial officer & treasurer; Torrance J. Wylie, exec. v.p.; Pierre Duhamel, v.p.- & corp. controller; Hugh W. McAdams, v.p.-corp. finance; Norman Montcalm, secretary.

**Directors:** Paul H. Pare*, Purdy Crawford*, Jean-Louis Mercier, Murray B. Koffler*, Jack A. Laughery, David R. Bloom, Jean H. Richer*, William R. Bennett, Nan-Bowles de Gaspe Beaubien, Angela C. Peters.

* Member of the Executive Committee

**Business Activities:** Imasco Ltd. is a major Canadian consumer products and services corporation with operations in Canada and the United States. Imasco operates through five main divisions. Imperial Tobacco, Canada's largest tobacco company, manufactures and distributes a complete range of tobacco products. The UCS Group operates 525 tobacco and gift shops across Canada. Shoppers Drug Mart licenses and operates a chain of 613 franchised and company-owned pharmacies in Canada, specializing in prescription drugs, over-the-counter medication, health and beauty aids and cosmetics. Peoples Drug Stores operates a chain of 829 drug stores in 13 states and in Washington, D.C.; and Imasco USA operates and licenses a system of 3,110 restaurants in 39 states, the District of Columbia, and nine other countries, principally under the name of "Hardee's."

**Divisions and Subsidiaries:**

Imperial Tobacco
3810 St. Antoine Street West
Montreal, Quebec H4C 1B5, Canada
Manufactures and distributes cigarettes, fine cut tobaccos, and markets pipe tobaccos.

Imperial Leaf Tobacco
John Street North
Aylmer, Ontario N5H 2R8, Canada
Purchases and processes leaf tobacco for Imperial Tobacco and for export.

The UCS Group
50 Overlea Boulevard
Toronto, Ontario M4H 1B9, Canada
Operates a chain of 525 retail tobacco and gift shops in Canada.

General Cigar Company
Montreal, Quebec, Canada
Manufactures and distributes cigarettes.

Shoppers Drug Mart
Operates a group of 613 licensed and company-owned drug stores in Canada.

Pharmaprix
Montreal, Quebec, Canada

Imasco Resources
4 Westmount Square
Montreal, Quebec H3Z Z58, Canada
Explores investment opportunities in natural resources and venture capital fields.

Imasco B.V.
Herengracht 495
1017 BT
Amsterdam, The Netherlands
Finances associated business.

Imasco Enterprises, Inc.
1040 West George Street
Vancouver, B.C. V6E 4H3, Canada
Holds in excess of 98% of the outstanding common shares of Canada Trustco Mortgage Company, Canada's largest trust company and seventh largest financial institution.

Imasco U.S.A., Inc.
1233 Hardee's Blvd.
Rocky Mount, North Carolina 27801-2815
Operates and licenses 3,110 fast service restaurants principally under the name "Hardee's" in the U.S. and nine other countries, and operates manufacturing and distribution facilities.

Burger Chef Systems, Inc.

Hardee's Food Systems, Inc.

Fast Food Merchandisers, Inc.

Grissanti, Inc.
Northern Italian cuisine.

Peoples Drug Stores, Inc.
6315 Bren Mar Drive
Alexandria, Virginia 22312
Operates a chain of 829 drug stores in 13 states and the District of Columbia.

**Transfer Agent(s):**

Montreal Trust Company
Montreal, Quebec, Canada
Halifax, Nova Scotia, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada
Winnipeg, Manitoba, Canada
Regina, Saskatchewan, Canada

**Stock Exchange(s):** Montreal, Toronto, Vancouver

**Ticker Symbol:** IMS

**Number of Stores:** ° (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,967 | 1985 | 1,667 |
| 1987 | 1,884 | 1984 | 1,467 |
| 1986 | 1,730 | | |

° Excludes restaurant operations.

**Sales & Earnings‡**

| | Net Sales # (000's) | Net Income + (000's) |
|---|---|---|
| 12/31/88 | $ 6,000,554 | $ 204,310 |
| 12/31/87° | 4,613,387 | 245,029 |
| 3/31/87 | 5,625,074 | 183,567 |
| 3/31/86 | 5,325,134 | 261,745 |
| 3/31/85 | 4,353,254 | 234,108 |

| | No. of Com. Shares † | Earn. per Share + x |
|---|---|---|
| 12/31/88 | 119,190,833 | $ 1.59 |
| 12/31/87° | 119,190,833 | 1.96 |
| 3/31/87 | 119,122,833 | 1.48 |
| 3/31/86 | 108,908,146 | 2.40 |
| 3/31/86 | 108,898,364 | 2.25 |

‡ In Canadian Dollars.
° 9 months.
# Includes sales and excise tax.
+ Including extraordinary losses of $110,000,000 ($0.92 per share) in 1988 and $29,079,000 ($0.25 per share) in the period ending 3/31/87.
† Adjusted to reflect stock split.
x Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Tobacco | $ 2,018,065 | $ 1,480,043 |
| Restaurant | 1,756,864 | 1,441,944 |
| Drug store: | | |
| Shoppers Drug Mart | 194,925 | 133,837 |
| Peoples Drug Stores | 1,841,656 | 1,419,307 |
| Other | 256,593 | 185,275 |
| Intersegment | (67,549) | (47,019) |
| Total | $ 6,000,554 | $ 4,613,387 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 12/31/88 | $ 1.04 | — | — |
| 12/31/87 | 0.72 | — | — |
| 3/31/87 | 0.87 | — | — |
| 3/31/86 | 0.75 | — | — |
| 3/31/85 | 0.645 | — | 2-for-1 |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share † |
|---|---|---|
| 12/31/88 | $ 2,055,242,000 | $ 17.24 |
| 12/31/87 | 2,048,435,000 | 17.19 |
| 3/31/87 | 1,902,163,000 | 15.97 |

‡ After allowing for preferred shares at stated value.
† Adjusted to reflect stock split.

**Income Account°**
(000's)

| Year ended Dec. 31 | 1988 (9 months) | 1987 |
|---|---|---|
| Revenues | $ 6,000,554 | $ 4,613,387 |
| Sales & excise taxes | 1,156,052 | 850,762 |
| Oper. costs | 4,349,858 | 3,369,065 |
| Eq. in earn. of Imasco Enterprises | (142,051) | (100,715) |
| Oper. profit | $ 636,695 | $ 494,275 |
| Corp. expenses | 28,467 | 23,060 |
| Interest expense | 217,646 | 148,923 |
| Income before taxes | $ 390,582 | $ 322,292 |
| Income taxes | 76,272 | 77,263 |
| Net Income | $ 314,310 | $ 245,029 |
| Extraord. loss | (110,000) | — |
| Net Income & extraord. loss | $ 204,310 | $ 245,029 |

° Included is Costs and Expenses, Depreciation and Amortization: $158,465,000 in 1988 and $118,919,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & term deposits | $ 132,032 | $ 207,702 |
| Accts. & notes receiv., net | 282,745 | 325,261 |
| °Inventories | 900,757 | 980,471 |
| Prepaid expenses | 48,135 | 28,142 |
| Current Assets | $ 1,363,669 | $ 1,541,576 |
| Investments & notes receiv. | 103,921 | 91,934 |
| #Fixed assets | 942,448 | 1,094,550 |
| Defer. charges | 82,646 | 75,861 |
| Intangibles | 162,221 | 239,193 |
| Invest. in Imasco Enter. | 2,655,408 | 2,613,497 |
| Total Assets | $ 5,310,313 | $ 5,656,611 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank indebtedness | $ 102,032 | $ 272,555 |
| Long-term debt, curr. | 14,782 | 21,892 |
| Accts. payable & accruals | 612,028 | 504,338 |
| Income & other taxes | 68,422 | 98,261 |
| Curr. Liabilities | $ 797,264 | $ 897,046 |
| Long-term debt | 2,116,029 | 2,420,880 |
| Long-term oblig. under cap. leases | 27,576 | 33,190 |
| Deferred inc. taxes | 15,045 | 51,260 |
| Def. gain on sale of restaurant prop. | 93,357 | — |
| + Preferred stock: | | |
| 6% Cumulative | 5,800 | 5,800 |
| 7.375% retractable | 200,000 | 200,000 |
| + Common stock | 798,598 | 798,598 |
| For. curr. trans. adjust. | (42,469) | 15,978 |
| Retained earnings | 1,299,113 | 1,233,859 |
| Total Liabilities & Shareholders' Equity | $ 5,310,313 | $ 5,656,611 |

° At lower of cost or net realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 6.51 | 6.99 |
| %Net Income to Revenues | 5.24 | 5.31 |
| %Net Income to Equity | 13.90 | 10.87 |
| Debt to Equity | 1.00 | 1.22 |
| Working Capital | $ 566,405,000 | $ 644,530,000 |
| Current Ratio | 1.71 | 1.72 |
| Shareholders' Equity | $ 2,261,042,000 | $ 2,254,235,000 |

## Ingles Markets, Incorporated

Highway 70
East of Asheville, North Carolina 28816
(704) 669-2941

**Officers:** Robert P. Ingle, chairman of the board & chief executive officer; Landy B. Laney, president & chief operating officer; Ronald S. Woodbery, vice president-personnel; Vaughn C. Fisher, vice president-sales mgr.; Stephen G. Slade, vice president-meats and deli/bakery; J. Thomas Outlaw, Jr., vice president-produce & frozen foods; Ralph H. Gardner, president of Milkco, Inc., Jack R. Ferguson, v.p.-finance, treasurer & chief financial officer; Robert A. Bryson, asst. treasurer; Brenda S. Cranford, secretary & controller; Ralph H. Gardner, president-Milkco, Inc..

**Directors:** Robert P. Ingle, chairman; Landy B. Laney, Vaughn C. Fisher, J. Thomas Outlaw, Jr., Ralph H. Gardner, James L. Jameson, Jr., John O. Pollard, J. Alton Wingate, Jack R. Ferguson, Stephen G. Slade, Ronald S. Woodbery.

**Business Activities:** Operates 140 Ingles supermarkets in North Carolina, South Carolina, Georgia, Tennessee, and Virginia. Also operates a milk processing and packaging plant.

## Ingles Markets, Incorporated

**Subsidiaries:**

Sky King, Inc.
Milkco, Inc.

**Transfer Agent(s):**

First Union National Bank
Capital Management Group
First Union Plaza, CMG 5
Charlotte, North Carolina 28288

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** IMKT-A (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 140 | 1985 | 99 |
| 1987 | 122 | 1984 | 91 |
| 1986 | 110 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 780,497,000 | $ 14,149,000 |
| 1987 | 666,870,000 | 9,169,000 |
| 1986 | 590,653,000 | 8,650,000 |
| 1985 | 527,954,000 | 7,827,000 |
| 1984 | 470,281,000 | 5,387,000 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1988 | 17,551,200 | $ 0.80 |
| 1987 | 17,548,200 | 0.63 |
| 1986 | 14,583,015 | 0.59 |
| 1985 | 14,583,015 | 0.54 |
| 1984 | 14,583,015 | 0.37 |

+ Adjusted to reflect stock dividend and stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.50 | — | — |
| 1987 | 0.20 | — | 75-for-1 |
| 1986 | 0.14 | — | — |
| 1985 | 0.09 | — | — |
| 1984 | — | 3% | — |

+ Adjusted to reflect stock dividend and stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 110,414,415 | $ 6.29 |
| 1987 | 100,657,000 | 5.74 |
| 1986 | 59,075,000 | 4.05 |
| 1985 | 52,369,000 | 3.59 |
| 1984 | 45,913,000 | 3.15 |

‡ Adjusted to reflect stock dividend and stock splits.

**Income Account***

| Year ended | 9/24/88 | 9/26/87 |
|---|---|---|
| Net sales | $ 780,496,718 | $ 666,870,194 |
| Cost of sales | 602,893,763 | 516,037,284 |
| Expenses | 150,835,314 | 129,314,571 |
| Rental income | (1,108,724) | (1,126,732) |
| Interest expense | 6,887,801 | 9,728,725 |
| Other income | (2,073,793) | (3,373,808) |
| Other expense | 138,701 | 421,487 |
| Income before taxes | $ 22,923,656 | $ 15,868,667 |
| Income taxes | 8,775,000 | 6,699,222 |
| Net Income | $ 14,148,656 | $ 9,169,445 |

* Included in Costs and Expenses, Depreciation and Amortization: $11,026,868 in 1988 and $8,925,286 in 1987.

**Assets**

| As of | 9/24/88 | 9/26/87 |
|---|---|---|
| Cash | $ 13,258,230 | $ 12,701,801 |
| Accts. receiv. net | 7,584,706 | 5,304,454 |
| *Inventories | 71,117,713 | 60,621,869 |
| Other curr. assets | 1,308,890 | 4,209,756 |
| Current Assets | $ 93,269,539 | $ 82,837,880 |
| Due from underwriter | — | 36,416,250 |
| #Fixed assets | 178,126,312 | 147,047,529 |
| Other assets | 689,581 | 870,517 |
| Total Assets | $ 272,085,432 | $ 267,172,176 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 6,689,235 | $ 8,920,945 |
| Accts. payable | 41,314,197 | 36,680,250 |
| Accrued payroll | 3,982,474 | 3,780,406 |
| Accrued salary | 4,665,721 | 3,618,068 |
| Due to stockholders | — | 452,595 |
| Other payables | 2,514,324 | 1,547,738 |
| Curr. Liabilities | $ 59,165,951 | $ 55,000,002 |
| Long-term debt | 79,495,016 | 90,830,016 |
| Deferred gains on sale leasebacks | 13,752,833 | 14,097,479 |
| Deferred inc. taxes | 9,437,217 | 6,587,319 |
| +Common stock: | | |
| Class A | 167,976 | 150,000 |
| Class B | 709,584 | 727,410 |
| Add. paid-in capital | 46,460,897 | 46,449,047 |
| Retained earnings | 63,075,958 | 53,330,903 |
| Total Liabilities & Shareholders' Equity | $ 272,085,432 | $ 267,172,176 |

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.94 | 2.38 |
| %Net Income to Sales | 1.81 | 1.37 |
| %Net Income to Equity | 12.81 | 9.11 |
| Sales to Inventories | 10.97 | 11.00 |
| Debt to Equity | 0.78 | 0.99 |
| Working Capital | $ 34,103,588 | $ 64,254,128 |
| Current Ratio | 1.58 | 2.17 |
| Shareholders' Equity | $ 110,414,415 | $ 100,657,360 |

## INTERCO Incorporated

INTERCO Corporate Tower

101 South Hanley Road
St. Louis, Missouri 63105
(314) 863-1100

**Officers:** Harvey Saligman, chairman & chief exec. officer; Ronald L. Aylward, vice chairman; Richard B. Loynd, president & chief operating officer; Eugene F. Smith, exec.-finance; Charles J. Rothschild, Jr., v.p.; R. Stuart Moore, v.p.; Ronald J. Mueller, v.p.; Duane A. Patterson, secretary; Robert T. Hensley, Jr., treasurer; Stanley F. Huck, controller; Keith E. Mattern, gen. counsel & asst. secretary; James K. Pendleton, asst. secretary; William R. Withrow, asst. treasurer; Russell L. Baumann, asst. controller.

**Directors:** Ronald L. Aylward*, Zane E. Barnes, Thomas H. O'Leary, Charles J. Rothschild, Jr., Harvey Saligman*, Robert H. Quenon, Donald E. Lasater*, Lee M. Lieberman, Marilyn S. Lewis, William E. Cornelius, Richard B. Loynd, R. Stuart Moore.

* Member of the Executive Committee

**Operating Groups:**

Apparel Manufacturing Group (Discontinued operation)

Designs, manufactures and distributes a full range of popular-priced branded and private-label sportswear, casual apparel and outer garments and headwear for men and women. The principal products for men include: woven and knit slacks, knit shirts - both sport and dress - sport coats, three-piece vested casual sport suits, rainwear, golf jackets, heavy outer garments, car coats, stadium coats, sweaters, jeans, western wear, outerwear, headwear, swim wear and walk shorts. For women: sweaters, slacks, skirts, vests, jackets, shirts, jeans, suits, dresses, pants, blouses, T-shirts, jumpers, culottes, blazers, rainwear, headwear, golf jackets, heavy outer garments, car coats and stadium coats.

Abe Schrader Corporation
New York, New York

Megastar Apparel Group
Mack Centre Drive
Paramus, New York 07652
(201) 262-9100

Devon Apparel, Inc.
3300 Frankford Avenue
Philadelphia, Pennsylvania 19134
(215) 739-2000

Stuffed Shirt Inc.
1407 Broadway
New York, New York 10018
(212) 997-1000

General Retail Merchandising Group (Discontinued operation)

Operates 201 junior department stores, discount stores, men's and women's specialty apparel shops and supermarket-type hardware, lumber and building materials stores. The principal regional trading names include: Central Hardware, Fine's, Golde's, Sky City Discount Centers, Jeans Galore, and United Shirt.

Sky City Stores, Inc.
Asheville, North Carolina

Central Hardware Company
St. Louis, Missouri

Fine's Men's Shops, Incorporated
1164 Azalea Garden Road
P.O. Box 749
Norfolk, Virginia 23501
(703) 857-6013

Golde's Department Stores, Inc.
St. Louis, Missouri

United Shirt Distributors, Inc.
1927 Michigan Avenue
Detroit, Michigan
(313) 962-9895

Footwear Manufacturing and Retailing Group

Styles, manufactures and distributes primarily men's footwear in most major price categories in the United States and Canada, and manufactures and wholesales men's footwear in Australia. Facilities include nine shoe manufacturing plants and five major distribution centers. The company also operates 743 retail shoe stores and leased shoe departments in 40 states in the U.S., as well as in Canada, Mexico and Australia. Footwear products are also distributed in 85 foreign countries. Major footwear retail trading names include: Florsheim Shoe Shops for men, Florsheim Thayer McNeil Men's and Women's Shops, Thompson, Boland & Lee, and Express Shop. Major footwear brands for men include: Ambassador, Florsheim, Florsheim Imperial, Royal Imperial by Florsheim, Idlers by Florsheim, Weeds from Florsheim, Julius Marlow, Outdoorsman, Winthrop, Worthmore, Converse, among others; for women: Avenues, Converse, Thayer McNeil, Florsheim, Marshmallows, among others.

The Florsheim Shoe Company
Canal, Adams & Clinton Street
Chicago, Illinois 60606
(312) 329-7500

Senack Shoes, Inc.
1248 Andes Boulevard
St. Louis, Missouri 63132
(314) 997-0330

Converse Inc.
North Reading, Massachusetts
Manufactures athletic footwear.

Furniture and Home Furnishings Group
Manufactures and distributes quality Broyhill furniture and home furnishings under the name of Ethan Allen/King and Restrocrat. There are 64 factories and 17 distribution centers and consolidated warehouses located throughout the United States. The Group also operates 34 galleries. Major retail trading names include: Carriage House, Georgetown Manor, Manor House, Broyhill Showcase Gallery and Georgetown.

Ethan Allen, Inc.
Danbury, Connecticut

Broyhill Furniture Industries, Inc.
Lenoir, North Carolina

The Lane Company, Incorporated
Altavista, Virginia
Manufactures furniture.

—

**Transfer Agent(s):**

AmeriTrust Company, N.A.
One Mercantile Center, Suite 2120
St. Louis, Missouri 63101

Morgan Shareholder Services Trust Company
New York, New York 10249

**Stock Exchange(s):** New York, Midwest (common shares only)

**Ticker Symbol:** ISS

**Number of Stores:** (at fiscal year end)

| | Retail Shoe Stores & Depts. | Gen'l. Retail Stores |
|---|---|---|
| 1988 | 743 | N.A. |
| 1987 | 778 | 201 |
| 1986 | 820 | 201 |
| 1985 | 873 | 248 |
| 1984 | 863 | 551 |

N.A. - Not Available.

**Sales & Earnings**

| | Net Sales ‡ (000's) | Net Income (000's) |
|---|---|---|
| 1989 | $ 2,011,962 | $ 70,150 |
| 1988 | 1,995,974 | 145,003 |
| 1987 | 1,930,918 | 125,774 |
| 1986 | 1,462,766 | 119,849 |
| 1985 | 1,422,280 | 95,493 |

| | No. of Com. Shares + | Earn. per Share + |
|---|---|---|
| 1989 | 38,262,000 | $ 1.53 |
| 1988 | 41,456,000 | 3.50 |
| 1987 | 43,312,000 | 2.91 |
| 1986 | 43,608,000 | 2.75 |
| 1985 | 44,285,000 | 2.16 |

‡ Of continuing operations only.
+ Based on the average number of common shares and common share equivalents outstanding fully diluted adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Footwear | $ 915,447 | $ 890,411 |
| Furniture | 1,096,515 | 1,105,563 |
| Total | $ 2,011,962 | $ 1,995,974 |

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 66.931 | — | — |
| 1988 | 1.60 | — | — |
| 1987 | 1.57 | — | 2-for-1 |
| 1986 | 1.54 | — | — |
| 1985 | 1.515 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity + | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ (1,010,981) | $ — |
| 1988 | 1,194,224 | 33.01 |
| 1987 | 1,264,420 | 31.47 |
| 1986 | 1,214,126 | 29.94 |
| 1985 | 1,138,801 | 28.51 |

(Deficiency)
+ After allowing for preferred shares at stated values.
‡ Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended | 2/25/89 | 2/29/88 |
|---|---|---|
| Net sales | $ 2,011,962 | $ 1,995,974 |
| Other income | 18,943 | 13,714 |
| Total income | $ 2,030,905 | $ 2,009,688 |
| Cost of sales | 1,335,678 | 1,288,748 |
| Expenses | 523,797 | 493,015 |
| Interest expense | 141,735 | 29,188 |
| Restruc. expenses | 14,000 | — |
| Income before taxes | $ 15,695 | $ 198,737 |
| Income taxes | 19,977 | 85,303 |
| Inc. (loss)-cont. oper. | $ (4,282) | $ 113,434 |
| Inc.-discont. oper. | 74,432 | 31,569 |
| Net Income | $ 70,150 | $ 145,003 |

* Included in Costs and Expenses, Depreciation and Amortization: $74,201,000 in 1989 and $40,570,000 in 1988.

**Assets**
(000's)

| As of | 2/25/89 | 2/29/88 |
|---|---|---|
| Cash | $ 16,308 | $ 12,476 |
| Marketable secur. | 61,317 | 10,823 |
| Accts. receiv., net | 329,299 | 310,053 |
| *Inventories | 490,967 | 514,193 |
| Prepaid expenses & other current assets | 41,625 | 24,964 |
| Net assets-discont. oper. | 248,361 | 382,742 |
| Current Assets | $ 1,187,877 | $ 1,255,271 |
| #Fixed assets | 327,070 | 317,238 |
| Other assets | 162,344 | 118,987 |
| Total Assets | $ 1,775,302 | $ 1,830,400 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 6,017 | $ 70,517 |
| Long-term debt, curr. | 509,961 | 4,816 |
| Accts. payable | 99,231 | 105,165 |
| Accrued compensation | 27,317 | 33,021 |
| Accrued interest | 35,339 | 3,568 |
| Other accruals | 53,618 | 35,622 |
| Income taxes | 4,785 | 16,606 |
| Curr. Liabilities | $ 736,268 | $ 269,315 |
| Long-term debt | 1,169,929 | 257,327 |
| Debentures | 808,657 | — |
| Cap. lease oblig. | 8,251 | 8,864 |
| Other long-term liabilities | 57,947 | 43,557 |
| +Preferred stock | 5,231 | 57,113 |
| ++Common stock | 155,088 | 155,088 |
| Add. paid-in capital | 179,337 | 44,539 |
| Retained earnings (deficit) | (1,208,250) | 1,179,964 |
| Treasury stock | (137,156) | (185,367) |
| Total Liabilities & Shareholders' Equity | $ 1,775,302 | $ 1,830,400 |

* At lower of cost (FIFO) or market, except footwear at LIFO.
# Less accumulated depreciation.
+ No par value; Series D-$7.75 cumulative convertible; Series E-17.5% dividend.
++ $3.75 stated value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 11.59 |
| Sales to Inventories | 4.10 | 3.88 |
| Debt to Equity | — | 0.27 |
| Working Capital (000's) | $ 451,609 | $ 985,956 |
| Current Ratio | 1.61 | 4.66 |
| Shareholders' Equity (Deficiency) (000's) | $ (1,005,750) | $ 1,251,337 |

## Intermark, Inc.

1020 Prospect Street, Suite 200
P.O. Box 1149
La Jolla, California 92038-1149
(619) 459-3841

**Officers:** Charles R. Scott, president & chief exec. officer; Frank C. Alexander, exec. v.p. & chief financial officer; Robert P. Schlegel, group v.p.; Mitchell R. Woodbury, v.p., corporate counsel & secretary; Vernon A. LoForti, v.p.-finance; Render Crayton, chief administrative officer; Michael M. Earley, v.p.-corp. development; Richard F. Grannis, treasurer; Gerard A. Wills, controller; Patty M. DeGaetano, asst. corp. secretary; Anita J. Cutchall, asst. corp. secretary; Mark G. Foletta, asst. controller.

**Directors:** Robert A. Elliott, Gordon C. Luce, John C. Monday, Charles R. Scott, Thomas N. Warner.

**Business Activities:** Intermark is a conglomerate composed of nine subsidiaries with various products including electronics, printing, furniture and landscaping.

**Selected Subsidiaries:**

Dynamark, Ltd. (50% owned)
1333 S. Bon View Avenue
Ontario, California 91761
(714) 947-1212
Manufactures and distributes custom wheels in the U.S. Also supplies steel and cast aluminum wheels to original equipment manufacturers.

Munson Sporting Goods Co., Inc. (53% owned)
350 East Paularino Avenue
Costa Mesa, California 92626
(714) 979-0110
Wholesale distributor of athletic products to retailers in the western United States.

Mission West Properties (52% owned)
12555 High Bluff Drive
San Diego, California 92130
(619) 450-3135
Develops and owns commercial real estate in western U.S.

Sunbelt Nursery Group, Inc. (50% owned)
500 Terminal Road
Fort Worth, Texas 76106
(817) 624-7253
Operates 98 retail garden centers through three operating companies: Nurseryland Garden Centers in Southern California, Tip Top Nursery in Arizona, and Wolfe Nursery in Texas.

## Intermark, Inc.

Pier 1 Imports, Inc. (52% owned)
Suite 600
301 Commerce Street
Fort Worth, Texas 76102
(817) 878-8000

Specialty retailer of imported home furnishings and related gift items, with 450 outlets in approximately 40 states and three Canadian provinces.

**Transfer Agent(s):**

First Interstate Bank of California
26610 West Agoura Road
Calabasas, California 91302

**Stock Exchange(s):** American

**Ticker Symbol:** IMI

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1989 | 548 | 1988 | 527 |

**Sales & Earnings**

| | Revenues ‡ | Net Income + |
|---|---|---|
| 1989 | $ 720,660,000 | $ 215,000 |
| 1988 | 620,165,000 | 6,417,000 |
| 1987 | 539,769,000 | 3,319,000 |
| 1986 | 460,801,000 | (3,648,000) |
| 1985 | 413,710,000 | (1,975,000) |

| | No. of Com. Shares † | Earn. per Share +† |
|---|---|---|
| 1989 | 9,113,000 | $ 0.01 |
| 1988 | 8,506,000 | 0.73 |
| 1987 | 8,498,000 | 0.35 |
| 1986 | 8,330,000 | — |
| 1985 | 8,311,000 | — |

(Loss)
‡ Of continuing operations only.
+ Including extraordinary loss of $7,000,000 ($0.82 per share) in 1988.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Import retailing | $ 415,264,000 | $ 327,095,000 |
| Garden products | 162,984,000 | 142,369,000 |
| Automotive prods. | 51,168,000 | 59,178,000 |
| Sporting goods distr. | 38,925,000 | 40,403,000 |
| Real estate development | 35,372,000 | 20,354,000 |
| Other oper. | 310,000 | 4,408,000 |
| Eq. in inc. of unconsol. con. | 15,019,000 | 24,478,000 |
| Corp. | 1,618,000 | 1,880,000 |
| Total | $ 720,660,000 | $ 620,165,000 |

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.107 | 10% | — |
| 1988 | 0.096 | — | — |
| 1987 | 0.096 | 33% | — |
| 1986 | 0.084 | 10% | 5-for-4 |
| 1985 | 0.079 | — | — |

† Adjusted to reflect stock dividends and stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1989 | $ 54,173,000 ‡ | $ 6.29 |
| 1988 | 57,781,000 ‡ | 6.67 |
| 1987 | 47,337,000 ‡ | 5.87 |
| 1986 | 44,243,000 | 5.30 |
| 1985 | 45,816,000 | 5.51 |

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock dividends and stock split.

**Income Account ***
(000's)

| Year ended March 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 700,550 | $ 591,990 |
| Eq. in inc. of unconsol. cos. | 15,019 | 24,478 |
| Other income | 5,091 | 3,697 |
| Total income | $ 720,660 | $ 620,165 |
| Cost of sales | 394,135 | 338,899 |
| Expenses | 269,114 | 227,081 |
| Interest expense | 29,665 | 24,064 |
| Prov. for store closings | 17,617 | 1,517 |
| Income before taxes | $ 10,129 | $ 28,604 |
| Income taxes | 9,483 | 6,873 |
| Minority interest | 431 | 8,314 |
| Net Income | $ 215 | $ 13,417 |
| Extraord. loss | — | (7,000) |
| Net Income & extraord. loss | $ 215 | $ 6,417 |

* Included in Costs and Expenses, Depreciation and Amortization: $19,995,000 in 1989 and $16,855,000 in 1988.

**Assets**
(000's)

| As of March 31 | 1989 | 1988 |
|---|---|---|
| Cash & cash equiv. | $ 10,699 | $ 14,429 |
| Market. securities | 17,064 | 33,835 |
| Receiv., net | 45,028 | 29,543 |
| *Inventories | 181,311 | 151,299 |
| Other curr. assets | 16,914 | 19,703 |
| Current Assets | $ 271,016 | $ 248,809 |
| #Fixed assets | 137,996 | 106,426 |
| Investment in Triton Group | 79,884 | 74,523 |
| Real est. invest. | 77,183 | 61,052 |
| Exc. of cost over assets acq. | 14,077 | 21,750 |
| Other assets | 22,219 | 42,004 |
| Total Assets | $ 602,375 | $ 554,564 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 31,637 | $ 45,817 |
| Long-term debt, curr. | 14,409 | 18,170 |
| Acct. payable | 52,133 | 44,798 |
| Accruals | 49,981 | 38,941 |
| Income taxes | 1,576 | 969 |
| Curr. Liabilities | $ 149,736 | $ 148,695 |
| Long-term debt | 290,022 | 240,832 |
| Other liabilities | 19,786 | 17,920 |
| Minority interest | 85,946 | 86,865 |
| +Preferred stock | 2,714 | 2,471 |
| +Common stock | 6,336 | 5,736 |
| Add. paid-in capital | 34,215 | 23,922 |
| Retained earnings | 13,622 | 28,123 |
| Total Liabilities & Shareholders' Equity | $ 602,375 | $ 554,564 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.45 | 4.83 |
| %Net Income to Sales | 0.03 | 1.08 |
| %Net Income to Equity | 0.38 | 10.65 |
| Sales to Inventories | 3.86 | 3.91 |
| Debt to Equity | 5.91 | 5.06 |
| Working Capital | $ 121,280,000 | $ 110,114,000 |
| Current Ratio | 1.81 | 1.67 |
| Shareholders' Equity | $ 56,887,000 | $ 60,252,000 |

## IPCO Corporation

1025 Westchester Avenue
White Plains, New York 10604
(914) 682-4500

**Officers:** Robert S. Savin, chairman of the board, chief exec. officer; Charles V. Linfante, president & chief financial officer; Howard M. Landa, v.p., general counsel & secretary; Reid Macfarlan, president-Whitestone Products; Morton S. Fisher, gen. mgr.-Uniforms by Gilson; Jerry F. Sullivan, president-Whaledent International.

**Directors:** Robert S. Savin, chairman; Max M. Low, Robert K. Low, Charles V. Linfante, Herbert L. Rosedale, June S. Rothberg, Howard M. Landa, Jack R. Wentworth, Robert A.M. Coppenrath, I.W. Burnham, II.

**Business Activities:** Manufactures and distributes health care and related products. Retail activities include the operation of 38 Uniforms by Gilson stores, located in New York, New Jersey, Connecticut, and Puerto Rico. These outlets specialize in uniforms for waitresses and nurses. The Company also operates 168 Sterling Optical outlets in 19 states and the District of Columbia, and 27 IPCO Optical stores in two states and in Ontario, Canada. In addition, the Company has 39 franchised Sterling Optical outlets in 14 states. The Company's optical stores retail a full line of prescription eyeglasses and sunglasses, non-prescription sunglasses, and contact lenses.

**Divisions and Subsidiaries:**

Medical Group

Whitestone Products
40 Turner Place
Piscataway, New Jersey 08854
(201) 752-2700

Manufactures non-woven and a variety of paper disposable products.

Uniforms by Gilson
2710 Hempstead Turnpike
Levittown, New York 11756
(516) 735-2600

Operates a chain of retail stores concentrated in the Greater New York Area.

Dental Group

Whaledent International
236 Fifth Avenue
New York, New York 10001
(212) 696-8000

Restorative dentistry products and systems.

Optical Group

Sterling Optical
357 Crossways Park Drive
Woodbury, New York
(516) 364-2600

Operates a chain of retail optical centers in the United States and Canada.

**Transfer Agent(s):**

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** New York

**Ticker Symbol:** IHS

**Number of Retail Centers:** (at fiscal year end)

| | Optical* | Uniform Shops |
|---|---|---|
| 1988 | 234 | 38 |
| 1987 | 224 | 40 |
| 1986 | 205 | 41 |
| 1985 | 176 | 43 |
| 1984 | 155 | 43 |

*Company-owned and franchised.

### Sales & Earnings

| | Net Sales + | Net Income # |
|---|---|---|
| 1988 | $ 216,611,000 | $ (477,000) |
| 1987 | 210,546,000 | (1,608,000) |
| 1986 | 194,873,000 | 5,881,000 |
| 1985 | 191,111,000 | 4,858,000 |
| 1984 | 174,287,000 | 6,702,000 |

| | No. of Com. Shares ‡ | Earn. per Share #‡ |
|---|---|---|
| 1988 | 5,173,522 | $ — |
| 1987 | 5,280,572 | — |
| 1986 | 5,366,195 | 1.10 |
| 1985 | 5,276,325 | 0.92 |
| 1984 | 5,531,548 | 1.21 |

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $300,000 ($0.05 per share) in 1984.
‡ Based on the average number of common shares and common share equivalents outstanding.

### Revenues by Line of Business

| | 1988 | 1987 |
|---|---|---|
| Medical | $ 86,188,000 | $ 87,681,000 |
| Dental | 27,473,000 | 23,270,000 |
| Optical | 102,950,000 | 99,595,000 |
| Total | $ 216,611,000 | $ 210,546,000 |

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 57,707,000 | $ 11.15 |
| 1987 | 62,002,000 | 11.74 |
| 1986 | 66,499,000 | 12.39 |
| 1985 | 62,437,000 | 11.83 |
| 1984 | 61,211,000 | 11.07 |

‡ Based on the average number of common shares and common shares equivalents outstanding.

### Income Account *

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 216,611,000 | $ 210,546,000 |
| Cost of sales | 108,418,000 | 105,698,000 |
| Franchise income | (4,386,000) | (811,000) |
| Expenses | 105,437,000 | 97,488,000 |
| Interest expense | 4,492,000 | 3,971,000 |
| Restruc. charges | 3,357,000 | — |
| Inc. (loss) bef. taxes | $ (707,000) | $ 4,200,000 |
| Income taxes (credit) | (230,000) | 1,764,000 |
| Inc. (loss) - cont. oper. | $ (477,000) | $ 2,436,000 |
| Loss - discont. oper. | — | (4,044,000) |
| Net Loss | $ (477,000) | $ (1,608,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $7,917,000 in 1988 and $7,885,000 in 1987.

### Assets

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 4,699,000 | $ 5,209,000 |
| Accts. receiv., net | 19,048,000 | 19,717,000 |
| *Inventories | 38,111,000 | 37,216,000 |
| Prepaid expenses & other current assets | 883,000 | 1,060,000 |
| Recov. taxes | 4,305,000 | 53,000 |
| Net assets of discont. oper. | — | 243,000 |
| Current Assets | $ 67,046,000 | $ 63,498,000 |
| #Fixed assets | 63,823,000 | 65,204,000 |
| Intangibles | 2,866,000 | 2,903,000 |
| Defer. charges | 2,619,000 | 2,866,000 |
| Net assets of discont. oper. | — | 2,402,000 |
| Other assets | 1,847,000 | 1,291,000 |
| Total Assets | $ 138,201,000 | $ 138,164,000 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,366,000 | $ 1,133,000 |
| Notes payable | 9,000,000 | 8,000,000 |
| Accts. payable | 11,198,000 | 12,716,000 |
| Accrued payroll | 4,101,000 | 4,916,000 |
| Income taxes | 759,000 | 351,000 |
| Other taxes | 1,933,000 | 2,367,000 |
| Other current liabilities | 5,470,000 | 6,202,000 |
| Curr. Liabilities | $ 33,827,000 | $ 35,685,000 |
| Long-term debt | 40,439,000 | 34,165,000 |
| Deferred inc. taxes | 5,447,000 | 5,134,000 |
| Other liabilities | 781,000 | 1,178,000 |
| +Common stock | 5,463,000 | 5,463,000 |
| Add. paid-in capital | 12,345,000 | 12,252,000 |
| Retained earnings | 44,860,000 | 47,165,000 |
| Treasury stock | (4,961,000) | (2,878,000) |
| Total Liabilities & Shareholders' Equity | $ 138,201,000 | $ 138,164,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| Sales to Inventories | 5.68 | 5.66 |
| Debt to Equity | 0.88 | 0.70 |
| Working Capital | $ 33,219,000 | $ 27,813,000 |
| Current Ratio | 1.98 | 1.78 |
| Shareholders' Equity | $ 57,707,000 | $ 62,002,000 |

## J.C. Penney Company, Inc.

14841 North Dallas Parkway
Dallas, Texas 75240-6760
(214) 591-1000

Mailing Address:
P.O. Box 659000
Dallas, Texas 75265-9000

**Officers:** William R. Howell, chairman of the board; Robert B. Gill, vice chairman; David F. Miller, vice chairman & chief operating officer-J.C. Penney Stores & Catalog; Terry S. Prindiville, exec. v.p.; James E. Oesterreicher, exec. v.p. & dir.-J.C. Penney Stores; W. Barger Tygart, exec. v.p. & director-merchandising; Charles R. Lotter, sr. v.p., secretary & general counsel; Richard T. Erickson, sr. v.p., director of corporate personnel; Robert E. Northam, sr. v.p., chief financial officer; John A. Wells, sr. v.p., director of real estate & construction services; Robert O. Amick, v.p. & controller; Charles L. Brown, v.p. & director of auditing; James P. Bryant, v.p. & director of corporate taxes; Gale Duff-Bloom, v.p. & director of investor relations; David V. Evans, v.p. & director of systems and data processing; Donald A. McKay, v.p. & treasurer; Joseph J. DeMelio, v.p. & director of insurance; Ted L. Spurlock, v.p. & director of credit and consumer banking services; George M. Stone, v.p. & director of government relations; Robert J. Keller, v.p. & director of construction services; Michael T. Todres, v.p. & director of distribution; C. Kenneth Ogg, v.p. & dir.-operations, services and inventory mgmt. for J.C. Penney Stores; Charles W. Stewart, v.p. & dir.-strategic development for J.C. Penney Stores & Catalog; Rodney M. Birkins, president-J.C. Penney Catalog; Robert B. Cavanaugh, asst. treasurer; Thomas A. Clerkin, asst. treasurer; Robert S. Gorin, asst. secretary & asst. general counsel; William J. Alcorn, asst. controller; Leo A. Gispanski, asst. controller; Frank J. Bonet, asst. secretary; Cornelius T. Dornns, asst. secretary; John V. Faltermeier, asst. secretary; Margaret R. Johnson, asst. secretary; Richard M. Kleid, asst. secretary.

**Directors:** William M. Ellinghaus, William R. Howell, Boris Yavitz, Walter B. Wriston, Clifton C. Garvin, Jr., Donald V. Seibert, Vernon E. Jordan, Jr., Juanita M. Kreps, Jane C. Pfeiffer, Colby H. Chandler, Robert B. Gill, David F. Miller, Joseph D. Williams, George Nigh, M. Anthony Burns.

**Business Activities:** Operates a nationwide chain of department stores including catalog operations under the J.C. Penney name. Full-line Penney stores sell lines of apparel, home and automotive merchandise; soft-line Penney stores sell principally apparel and household textile merchandise. Also operates a chain of Thrift Drug and The Treasury Drug Center stores and conducts consumer financial services.

**Subsidiaries:**

J.C. Penney Properties, Inc.
J.C. Penney Financial Corporation
J.C. Penney Casualty Insurance Company
J.C. Penney Life Insurance Company
Great American Reserve Insurance Company (96.8% owned)
J.C. Penney Investors Services, Inc.
JCP Realty Inc.
J.C. Penney International Finance Corporation
J.C. Penney International, Inc.
J.C. Penney Overseas Finance N.V.
J.C. Penney National Bank

**Transfer Agent(s):**

J.C. Penney Company, Inc.
Securityholder Services
Pittsburgh Accounting Center
P.O. Box 407
Pittsburgh, Pennsylvania 15230

Registrar and Transfer Co.
61 Broadway, Room 1412
New York, New York 10006

**Stock Exchange(s):** New York, Brussels, Antwerp

**Ticker Symbol:** JCP

**Number of Stores:** (at fiscal year end)

| | Penney Stores | Catalog Centers |
|---|---|---|
| 1988 | 1,355 | 1,879 |
| 1987 | 1,378 | 1,837 |
| 1986 | 1,403 | 1,825 |
| 1985 | 1,483 | 1,739 |
| 1984 | 1,570 | 1,810 |

| | Drug Stores | Belgian Stores |
|---|---|---|
| 1988 | 434 | — |
| 1987 | 407 | 52 |
| 1986 | 390 | 53 |
| 1985 | 374 | 53 |
| 1984 | 369 | 55 |

### Sales & Earnings

| | Net Sales + ($000's) | Net Income † ($000's) |
|---|---|---|
| 1988 | $ 14,833,000 | $ 807,000 |
| 1987 | 15,332,000 | 608,000 |
| 1986 | 14,740,000 | 530,000 |
| 1985 | 13,747,000 | 397,000 |
| 1984 | 13,451,000 | 435,000 |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 131,000,000 | $ 6.02 |
| 1987 | 148,000,000 | 4.11 |
| 1986 | 150,000,000 | 3.19 |
| 1985 | 150,000,000 | 2.66 |
| 1984 | 150,000,000 | 2.90 |

+ Of continuing operations only.
† Including extraordinary loss of $52,000,000 ($0.34 per share) in 1986.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| J. C. Penney Stores | $ 13,364,000 | $ 13,428,000 |
| Catalog | 2,918,000 | 2,585,000 |
| Drug stores | 882,000 | 791,000 |
| Belgian operations | — | 561,000 |
| Intracompany elim. | (2,331,000) | (2,033,000) |
| Total | $ 14,833,000 | $ 15,332,000 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 2.00 | — | — |
| 1987 | 1.48 | — | |
| 1986 | 1.24 | — | — |
| 1985 | 1.18 | — | — |
| 1984 | 1.18 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share + |
|---|---|---|
| 1988 | $ 3,919,000 ‡ | $ 32.18 |
| 1987 | 4,173,000 | 30.15 |
| 1986 | 4,340,000 | 29.00 |
| 1985 | 4,051,000 | 27.16 |
| 1984 | 3,812,000 | 25.63 |

‡ After allowing for preferred stock purchased through a leveraged employee stock ownership plan after deducting for borrowings by the LESOP.
+ Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 14,833,000 | $ 15,332,000 |
| Other income | 463,000 | 415,000 |
| Total income | $ 15,296,000 | $ 15,747,000 |
| Cost of sales | 9,717,000 | 10,152,000 |
| Expenses | 3,815,000 | 3,743,000 |
| Exp. of other business | 487,000 | 401,000 |
| Interest expense | 307,000 | 300,000 |
| Nonrecurring items | (222,000) | 172,000 |
| Income bef. taxes | $ 1,192,000 | $ 979,000 |
| Income taxes | 385,000 | 371,000 |
| Net Income | $ 807,000 | $ 608,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $258,000,000 in 1988 and $241,000,000 in 1987.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 670,000 | $ 112,000 |
| Accts. receiv., net | 4,233,000 | 4,536,000 |
| *Inventories | 2,201,000 | 2,350,000 |
| Prepaid expenses | 142,000 | 132,000 |
| Current Assets | $ 7,246,000 | $ 7,130,000 |
| #Fixed assets | 3,034,000 | 2,910,000 |
| Other assets | 1,974,000 | 1,694,000 |
| Total Assets | $ 12,254,000 | $ 11,734,000 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 244,000 | $ — |
| Accts. payable and accruals | 1,666,000 | 1,595,000 |
| Short-term debt | 756,000 | 955,000 |
| Deferred taxes | 119,000 | 136,000 |
| Curr. liabilities | $ 2,785,000 | $ 2,686,000 |
| Long-term debt | 3,064,000 | 2,608,000 |
| Deferred taxes | 1,346,000 | 1,375,000 |
| Other liabilities | 1,102,000 | 892,000 |
| +Preferred stock | 706,000 | — |
| Guaranteed LESOP oblig. | (668,000) | — |
| ++Common stock | 862,000 | 960,000 |
| Reinvested earnings | 3,057,000 | 3,213,000 |
| Total Liabilities & Shareholders' Equity | $ 12,254,000 | $ 10,842,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value; 7.9% LESOP convertible.
++ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 8.04 | 6.39 |
| %Net Income to Sales | 5.44 | 3.97 |
| %Net Income to Equity | 20.39 | 14.57 |
| Sales to Inventories | 6.74 | 6.52 |
| Debt to Equity | 1.03 | 0.85 |
| Working Capital | $ 4,461,000,000 | $ 4,444,000,000 |
| Current Ratio | 2.60 | 2.65 |
| Shareholders' Equity | $ 3,957,000,000 | $ 4,173,000,000 |

## J Sainsbury plc

Stamford House
Stamford Street
London, SE1 9LL, England
01-921-6000

**Joint Presidents:** Lord Sainsbury of Drury Lane, Sir Robert Sainsbury.

**Board of Directors:** Lord Sainsbury of Preston Candover, chairman; Sir Roy Griffiths, deputy chairman, non-executive; D.J. Sainsbury, deputy chairman; G.C. Hoyer Millar, chairman homebase; J.H.G. Barnes, joint managing director; D.A. Quarmby, joint managing director; R.T. Vyner, asst. managing director; C. Roberts, trading director; R.A. Clark, distribution director; D.E. Henson, financial controller; K.C. Worrall, trading director; I.D. Coull, development; R. Cooper, trading director; J.D. Adshead, personnel director; Sir James Spooner, non-executive; The Rt. Hon. Lord Prior, PC, non-executive; Mrs. D.C. Eccles, non-executive.

**Departmental Directors:** R.A. Anderson, property development; J.E. Blake, company systems; M. Boomfield, area director; A.B. Cheeseman, off license, delicatessen; D.J. Clapham, retail operations; M.D. Conolly, retail operations; E.A.Q. Davidson, treasurer; D.J. Graham, distribution; J.G. Grindle, retail operations; C.I. Harvey, area director; I.J. Hunt, marketing services; P. Ibbotson, construction; A.L. Jacobs, data processing; R. McLaren, produce; A.R. Mathais, distribution; N.F. Matthews, company secretary; I.G. Merton, meat, poultry; M.D. Morgan, cheese, dairy frozen food; F.E. Netscher, chief accountant; J.R. Phillipson, area director; J. Renshaw, bacon, pork products, delicatessen; E.G. Ricketts, merchandising; M. Rosen, non-foods; D.W. Smith, area director; R. Spencer, scientific services; T.A. Wigley, area director; R.P. Whitbread, area director; J.A. Williams, grocery.

**Business Activities:** Operates 292 J Sainsbury supermarkets, and seven Savacentre supermarkets, all in the United Kingdom. The Company also operates 48 Homebase home improvement and garden centers in the U.K., and 61 Shaw's Supermarkets located in Massachusetts, Maine, and New Hampshire.

**Subsidiaries:**

Homebase Limited (75%-owned)
J Sainsbury (U.S.A.) Inc.
J Sainsbury (Finance) B.V.
SavaCentre Limited (50%-owned)

Shaw's Supermarkets, Inc.
140 Laurel Street
East Bridgewater, Massachusetts 02333
(617) 378-7211

**Registrars:**

National Westminster Bank plc
Registrar's Department
P.O. Box No. 82
Caxton House, Redcliffe Way
Bristol BS99 7NH, England

**Stock Exchange(s):** London

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 408 | 1986 | 314 |
| 1988 | 387 | 1985 | 300 |
| 1987 | 321 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income † (000's) |
|---|---|---|
| 1989 | £ 5,915,100 | £ 251,600 |
| 1988 | 5,009,500 | 199,400 |
| 1987 | 4,043,500 | 158,000 |
| 1986 | 3,575,200 | 127,300 |
| 1985 | 3,135,300 | 108,400 |

| | No. of Com. Shares # | Earn. per Share † ‡ |
|---|---|---|
| 1989 | 1,502,280,283 | 16.66p |
| 1988 | 1,493,569,360 | 13.63 |
| 1987 | 1,425,872,146 | 11.34 |
| 1986 | N.A. | 8.96 |
| 1985 | N.A. | 7.32 |

N.A. - Not Available.
£ - pound sterling.
† Before minority interest. Including extraordinary gain of 1,600,000 (0.11p per share) in 1989.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | 5.05p | — | — |
| 1988 | 4.20 | — | |
| 1987 | 3.50 | — | — |
| 1986 | 2.75 | — | — |
| 1985 | 2.25 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share+ (000's) |
|---|---|---|
| 1989 | £ 1,167,600 | 77.72p |
| 1988 | 1,024,400 | 68.59 |
| 1987 | 781,300 | 54.79 |

+ Adjusted to reflect stock split.

**Income Account** *
(000's)

| Year ended | 3/18/89 | 3/19/88 |
|---|---|---|
| Net sales | £ 5,915,100 | £ 5,009,500 |
| VAT & sales taxes | 256,100 | 218,000 |
| Cost of sales | 5,165,100 | 4,397,400 |
| Expenses | 121,000 | 98,400 |
| Oper. income | (22,800) | (9,800) |
| Interest expense (income) | 9,500 | (8,600) |
| Assoc. share of profit | (15,600) | (18,200) |
| Profit sharing | 26,700 | 23,900 |
| Income before taxes | £ 375,100 | £ 308,400 |
| Income taxes | 125,100 | 109,000 |
| Net Income | £ 250,000 | £ 199,400 |
| Extraord. gain | 1,600 | — |
| Minority interest | (400) | 300 |
| Net Income & extraord. gain | £ 251,200 | £ 199,400 |

* Included in Costs and Expenses, Depreciation: £ 79,600,000 in 1989 and £ 63,400,000 in 1988.

**Assets**
(000's)

| As of | 3/18/89 | 3/19/88 |
|---|---|---|
| Cash | £ 90,000 | £ 68,800 |
| ACT recoverable | 25,200 | 14,700 |
| Accts. receiv., net | 97,300 | 31,800 |
| *Inventories | 286,100 | 239,600 |
| Current Assets | £ 498,600 | £ 354,900 |
| Investments | 31,500 | 67,700 |
| #Fixed assets | 2,338,100 | 1,742,500 |
| Total Assets | £ 2,868,200 | £ 2,165,100 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank overdrafts | £ 319,300 | £ 109,200 |
| Notes payable | 20,000 | 30,000 |
| Unsecured loan notes pay. | 3,500 | — |
| Unpresented cheques | 115,900 | 75,600 |
| Long-term debt, curr. | 5,600 | 4,000 |
| Accts. payable | 438,000 | 380,500 |
| Other payables | 169,000 | 125,500 |
| Accruals | 42,600 | 34,200 |
| Amts. owed to assoc. | 700 | 6,700 |
| Income taxes | 132,000 | 91,900 |
| Other taxes | 14,200 | 11,300 |
| Proposed dividend | 53,300 | 44,100 |
| Curr. Liabilities | £ 1,314,100 | £ 913,000 |
| Long-term debt | 377,100 | 212,400 |
| Minority interest | 7,300 | 6,800 |
| Deferred income | — | 3,300 |
| Deferred inc. taxes | 2,100 | 5,200 |
| +Common stock | 375,600 | 373,400 |
| Add. paid-in capital | 179,100 | 165,900 |
| Revaluation reserve | 34,900 | 40,300 |
| Profit and loss acct. | 588,000 | 444,800 |
| Total Liabilities & Shareholders' Equity | £ 2,868,200 | £ 2,165,100 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 25p par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.34 | 6.16 |
| %Net Income to Sales | 4.23 | 3.98 |
| %Net Income to Equity | 21.41 | 19.47 |
| Sales to Inventories | 20.67 | 20.91 |
| Debt to Equity | 0.34 | 0.24 |
| Shareholders' Equity | £1,167,600,000 | £1,024,400,000 |

## Jacobson Stores Inc.

3333 Sargent Road
Jackson, Michigan 49201
(517) 764-6400

**Officers:** J. R. Fowler, chairman of the board & chief executive officer; Mark K. Rosenfeld, president & chief operating officer; James B. Fowler, exec. v.p.-marketing; Nathan Forman, sr. v.p.-apparel merchandising; Paul W. Gilbert, exec. v.p. & chief financial officer; John F. Rickerby, sr. v.p.-stores; Donald Hathaway, v.p.-store group mgr.; Alan J. Herman, v.p.-electronic data processing; George E. McGlinnen, v.p.-home furnishings merchandising; Robert L. Moles, sr. v.p.-operations; Paul T. Machtel, v.p. & store group manager; Floyd H. Pond, v.p. & store group manager; Joseph Fisher, v.p. & gen. mdse. mgr.; Alan M. Mandel, v.p. & store group mgr.; Timothy J. Spalding, controller; Robert L. Emmet, v.p. & divisional merchandise manager; Louis M. Landman, v.p. & divisional merchandise manager; Mary Lowey, v.p. & divisional merchandise manager; Richard Z. Rosenfeld, secretary; Robert M. Eaton, v.p. & treasurer; Frank W. Hones, asst. treasurer & asst. secretary.

**Directors:** J. R. Fowler, chairman; Herbert S. Amster, Frank Couzens, Jr., Raymond C. Fitzgerald, Edwin I. Goldring, Richard Z. Rosenfeld, Robert L. Rosenfeld, Mark K. Rosenfeld, Herman S. Kohlmeyer, Jr., Travis W. Pearse, Patricia Shontz Longe, Philip H. Power, James B. Fowler, Paul W. Gilbert.

**Business Activities:** Owns and operates 22 apparel and home furnishings stores in Michigan, Ohio and Florida.

**Subsidiaries:**

Jacobson Credit Corp.
3333 Sargent Road
Jackson, Michigan 49201

Jacobson Stores Realty Company
3333 Sargent Road
Jackson, Michigan 49201

**Transfer Agent(s):**

National Bank of Detroit
Detroit, Michigan

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** JCBS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 22 | 1985 | 20 |
| 1987 | 21 | 1984 | 20 |
| 1986 | 20 | | |

**Sales & Earnings**

| | Net Sales † | Net Income |
|---|---|---|
| 1988 | $ 356,504,000 | $ 11,035,000 |
| 1987 | 326,672,000 | 10,542,000 |
| 1986* | 308,460,000 | 11,927,000 |
| 1985 | 275,038,000 | 9,657,000 |
| 1984 | 240,689,000 | 5,431,000 |

| | No. of Com. Shares # | Earn.per Share # |
|---|---|---|
| 1988 | 5,765,640 | $ 1.91 |
| 1987 | 5,759,694 | 1.83 |
| 1986* | 5,698,880 | 2.09 |
| 1985 | 5,362,968 | 1.80 |
| 1984 | 4,851,900 | 1.12 |

* 53 weeks.
† Including leased departments.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.44 | — | — |
| 1987 | 0.44 | — | |
| 1986 | 0.333 | — | 3-for-2 |
| 1985 | .021 | — | 3-for-2 |
| 1984 | .01775 | — | 2-for-1 |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 76,536,000 | $ 13.25 |
| 1987 | 67,166,000 | 11.88 |
| 1986 | 58,276,000 | 10.52 |
| 1985 | 46,439,000 | 8.86 |
| 1984 | 35,662,000 | 7.45 |

**Income Account** *
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 356,504 | $ 326,672 |
| Cost of sales | 213,263 | 195,202 |
| Expenses | 119,719 | 108,423 |
| Interest expense | 7,187 | 5,769 |
| Income before taxes | $ 16,335 | $ 17,278 |
| Income taxes | 5,300 | 6,736 |
| Net Income | $ 11,035 | $ 10,542 |

* Included in Costs and Expenses, Depreciation and Amortization: $6,796,000 in 1988 and $5,521,000 in 1987.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equiv. | $ 18,811 | $ 12,422 |
| Receiv., net | 53,851 | 50,131 |
| *Inventories | 70,003 | 61,287 |
| Prepaid expenses & other assets | 2,514 | 1,705 |
| Current Assets | $ 145,179 | $ 125,545 |
| #Fixed assets | 88,783 | 76,369 |
| Restricted funds | 5,829 | 8,066 |
| Other assets | 5,272 | 4,813 |
| Total Assets | $ 245,063 | $ 214,793 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,824 | $ 2,492 |
| Accts. payable | 28,596 | 24,477 |
| Accruals | 13,542 | 12,514 |
| Accrued income taxes | 2,485 | 1,821 |
| Curr. Liabilities | $ 47,447 | $ 41,304 |

| | | |
|---|---|---|
| Long-term debt | 112,902 | 97,906 |
| Deferred inc. taxes | 7,062 | 7,449 |
| Other liabilities | 1,116 | 968 |
| +Common stock | 5,965 | 5,841 |
| Add. paid-in capital | 7,078 | 6,340 |
| Retained earnings | 63,892 | 55,384 |
| Treasury stock | (399) | (399) |
| Total Liabilities & Shareholders' Equity | $ 245,063 | $ 214,793 |

* At cost (LIFO) using retail inventory method.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.58 | 5.29 |
| %Net Income to Sales | 3.10 | 3.23 |
| %Net Income to Equity | 14.42 | 15.70 |
| Sales to Inventories | 5.09 | 5.33 |
| Debt to Equity | 1.51 | 1.35 |
| Working Capital | $ 97,732,000 | $ 84,241,000 |
| Current Ratio | 3.06 | 3.04 |
| Shareholders' Equity | $ 76,536,000 | $ 67,166,000 |

## Jamesway Corporation

40 Hartz Way
Secaucus, New Jersey 07096-1526
(201) 330-6000

**Officers:** Herbert Fisher, chairman & chief executive officer; Arlie G. Lazarus, president & chief operating officer; Barry Rockland, sr. v.p.-finance; Jerry F. Smith, sr. v.p.-store operations; Eric Zorn, sr. v.p.-administration; Gerald R. Fitzgerald, v.p.-personnel; Murray Kaplan, v.p.-advertising; Thomas Kiley, sr. v.p. & gen. mdse. mgr.-hardgoods; Andrew D. Loconti, v.p.-real estate; David Owens, v.p.-management information systems; Alfred Petrillo, v.p.-store planning & construction; Victor Scire, v.p.-sales promotion; Kenneth Simon, v.p.-new store development; Howard J. Blaugrund, secretary; Joseph Ettore, sr. v.p. & gen. mdse. mgr.-softgoods; Ralph Saltz, v.p.-legal, real estate; Joseph Piserchia, v.p.-inventory control; Robert M. Quinn, v.p. & treasurer; Gary Kauffman, v.p. & controller; James Varhol, v.p.-loss prevention; Joseph Radecki, v.p.-advertising; Robert Schneider, v.p.-distribution.

**Directors:** Herbert Fisher*, chairman; Howard J. Blaugrund, Lee M. Bronster*, Kenneth Kwit, Arlie G. Lazarus*, Andrew D. Loconti*, Robert S. Bargar, Mortimer Steinberg, Brendan Byrne, Abraham Temkin, Howard Curd, Floyd Hall.

* Member of the Executive Committee

**Business Activities:** Operates a chain of 121 discount department stores in New Jersey, New York, Pennsylvania, Virginia, Delaware and Maryland.

**Subsidiaries:**

Horizon Advertising Agency, Inc.
Route 197 Realty Co.
Omnis Protective Services, Inc.
Hardware Distributors, Inc.
J.M.Y. Portraits Inc.

all at:
40 Hartz Way
Secaucus, New Jersey 07096-1526

**Transfer Agent(s):**

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey 08818

**Stock Exchange(s):** New York

**Ticker Symbol:** JMY

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 121 | 1985 | 91 |
| 1987 | 111 | 1984 | 85 |
| 1986 | 100 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 782,504,000 | $ 9,680,000 |
| 1987 | 701,412,000 | 11,603,000 |
| 1986 | 612,392,000 | 12,124,000 |
| 1985 | 523,146,000 | 9,252,000 |
| 1984* | 475,606,000 | 13,264,000 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1988 | 13,924,000 | $ 0.69 |
| 1987 | 13,838,000 | 0.82 |
| 1986 | 13,896,000 | 0.85 |
| 1985 | 13,746,000 | 0.66 |
| 1984* | 13,533,000 | 1.09 |

* 53 weeks.
† Adjusted to reflect stock split.
‡ Based on the weighted number of common shares and common share equivalents adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.08 | — | — |
| 1987 | 0.08 | — | — |
| 1986 | 0.06 | — | 2-for-1 |
| 1985 | 0.06 | — | — |
| 1984 | 0.05 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 127,990,000 | $ 9.19 |
| 1987 | 118,783,000 | 8.58 |
| 1986 | 109,391,000 | 7.87 |
| 1985 | 97,314,000 | 7.08 |
| 1984 | 88,370,000 | 6.53 |

‡ Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 782,504 | $ 701,412 |
| Other income | 14,235 | 12,484 |
| Total income | $ 796,739 | $ 713,896 |
| Cost of sales | 557,709 | 493,262 |
| Expenses | 202,408 | 181,710 |
| Depreciation & amortization | 12,035 | 10,822 |
| Interest expense | 8,945 | 7,602 |
| Income before taxes | $ 15,642 | $ 20,500 |
| Income taxes | 5,962 | 8,897 |
| Net Income | $ 9,680 | $ 11,603 |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equiv. | $ 28,324 | $ 25,887 |
| Receiv., net | 8,210 | 8,262 |
| *Inventories | 190,966 | 168,491 |
| Prepaid expenses & other curr. assets | 8,063 | 7,412 |
| Current Assets | $ 235,563 | $ 209,768 |
| #Fixed assets | 75,245 | 71,650 |
| Leased prop. under cap. leases | 14,722 | 13,341 |
| Other assets | 5,221 | 4,836 |
| Total Assets | $ 330,751 | $ 299,595 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,552 | $ 1,612 |
| Cap. lease oblig. curr. | 898 | 835 |
| Accts. payable | 52,025 | 52,806 |
| Accruals | 15,972 | 15,108 |
| Income & other taxes | 5,254 | 7,818 |
| Curr. Liabilities | $ 75,701 | $ 78,179 |
| Long-term debt | 68,141 | 46,690 |
| Deferred inc. taxes | 17,437 | 15,913 |
| Cap. lease oblig. | 16,482 | 15,030 |
| Conv. subord. debt | 25,000 | 25,000 |
| +Common stock | 15,254 | 15,194 |
| Add. paid-in capital | 16,775 | 16,298 |
| Retained earnings | 101,226 | 92,655 |
| Treasury stock | (5,265) | (5,364) |
| Total Liabilities & Shareholders' Equity | $ 330,751 | $ 299,595 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.00 | 2.92 |
| %Net Income to Sales | 1.24 | 1.65 |
| %Net Income to Equity | 7.56 | 9.77 |
| Sales to Inventories | 4.10 | 4.16 |
| Debt to Equity | 0.68 | 0.54 |
| Working Capital | $ 159,862,000 | $ 131,589,000 |
| Current Ratio | 3.11 | 2.68 |
| Shareholders' Equity | $ 127,990,000 | $ 118,783,000 |

## Jay Jacobs, Inc.

1530 5th Avenue
Seattle, Washington 98101
(206) 622-5400

**Officers:** Jay Jacobs, chairman; Douglas A. Swerland, president; Craig Bohman, exec. v.p. & treasurer; Doris Williams, sr. v.p.-administration & secretary; Larry Youngren, sr. v.p.-store planning; Celestina Sze, v.p. & managing director-D.D. Sloane; Charles E. Murphy, v.p..

**Directors:** Jay Jacobs, chairman; Craig Bohman, Douglas A. Swerland, Doris Williams, Larry Youngren, Irving Stanislaw, Robert O'Brien.

**Business Activities:** Operates 162 specialty retail apparel stores, selling fashion forward apparel, in regional shopping malls in 11 western states.

**Subsidiaries:**

D.D. Sloane
Imports and distributes women's sportswear, dresses and accessories which are sold to specialty retailers and department stores, as well as through the Company's retail stores.

D.D. Sloane (H.K.) Ltd.
Jay Jacobs of California, Inc.

**Transfer Agent(s):**

First Interstate Bank of Washington, N.A.
999 Third Avenue
Seattle, Washington 98104

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** JAYJ (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 162 | 1987 | 121 |
| 1988 | 139 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 101,657,000 | $ 2,926,000 |
| 1988 | 103,738,000 | 2,459,000 |
| 1987 | 93,393,000 | 3,508,000 |
| 1986 | 81,147,000 | 2,150,000 |
| 1985 | 70,595,000 | 1,016,000 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1989 | 5,794,913 | $ 0.50 |
| 1988 | 5,794,913 | 0.42 |
| 1987 | 4,785,689 | 0.69 |
| 1986 | 4,439,400 | 0.42 |
| 1985 | 4,459,650 | 0.20 |

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Apparel retail | $ 87,304,000 | $ 82,468,000 |
| Apparel wholesale | 17,605,000 | 24,485,000 |
| Intersegment | (3,252,000) | (3,215,000) |
| Total | $ 101,657,000 | $ 103,738,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | 3-for-2 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 28,285,000 | $ 4.88 |
| 1988 | 25,359,000 | 4.38 |
| 1987 | 11,947,977 | 2.50 |
| 1986 | 7,516,633 † | 1.69 |
| 1985 | 5,446,196 † | 1.22 |

† After allowing for preferred stock at stated value.
‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended Feb. 28 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 101,657,000 | $ 103,738,000 |
| Cost of sales | 72,517,000 | 74,559,000 |
| Expenses | 25,267,000 | 25,089,000 |
| Interest expense | — | 243,000 |
| Interest income | (685,000) | (428,000) |
| Income before taxes | $ 4,558,000 | $ 4,275,000 |
| Income taxes | 1,632,000 | 1,816,000 |
| Net Income | $ 2,926,000 | $ 2,459,000 |

* Included in Costs and Expenses, Depreciation and Amortization, $3,011,000 in 1989 and $2,604,000 in 1988.

**Assets**

| As of Feb. 28 | 1989 | 1988 |
|---|---|---|
| Cash | $ 11,489,000 | $ 7,231,000 |
| Accts. receiv., net | 3,361,000 | 4,074,000 |
| Refundable taxes | 439,000 | 1,975,000 |
| * Inventories | 10,855,000 | 11,773,000 |
| Prepaid expenses | 62,000 | 68,000 |
| Deferred inc. taxes | 144,000 | 127,000 |
| Current Assets | $ 26,350,000 | $ 25,248,000 |
| # Fixed assets | 11,658,000 | 10,030,000 |
| Total Assets | $ 38,008,000 | $ 35,278,000 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 6,759,000 | $ 7,259,000 |
| Accrued payroll | 916,000 | 969,000 |
| Other accruals | 1,378,000 | 1,183,000 |
| Curr. Liabilities | $ 9,053,000 | $ 9,411,000 |
| Deferred credits: | | |
| Income taxes | 92,000 | 179,000 |
| Rents | 540,000 | 269,000 |
| Other | 38,000 | 60,000 |
| + Common stock | 12,123,000 | 12,123,000 |
| Retained earnings | 16,162,000 | 13,236,000 |
| Total Liabilities & Shareholders' Equity | $ 38,008,000 | $ 35,278,000 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 4.48 | 4.12 |
| % Net Income to Sales | 2.88 | 2.37 |
| % Net Income to Equity | 10.34 | 9.70 |
| Sales to Inventories | 9.36 | 8.81 |
| Working Capital | $ 17,297,000 | $ 15,837,000 |
| Current Ratio | 2.91 | 2.68 |
| Shareholders' Equity | $ 28,285,000 | $ 25,359,000 |

## Jetronic Industries, Inc.

4200 Mitchell Street
Philadelphia, Pennsylvania 19128
(215) 482-7660

**Officers:** Daniel R. Kursman, chairman of the board, president & treasurer; Jerome I. Kursman, v.p. & secretary; Leonard W. Pietrzak, v.p.-finance; Peter J. Kursman, chairman-Ross Matthews Corporation; William L. Weiss, general counsel.

**Directors:** Daniel R. Kursman, chairman; Jerome I. Kursman, Herbert Myers, William L. Weiss, Peter Kursman.

**Business Activities:** Operates two furniture and appliance stores in Greater Philadelphia under the name of "Levin's." Other activities include the design and manufacture of electronic communication and navigation systems, and the production of narrow tapes, shock cord, industrial straps, and related items.

**Retail Subsidiary:**

Harry Levin, Inc.
Engaged in the retail sale and servicing of furniture, appliances, home furnishings and related items through stores in Philadelphia, PA, and Turnersville,] NJ.

**Transfer Agent(s):**

Continental Stock Transfer Company
72 Reade Street
New York, New York 10007

**Stock Exchange(s):** American

**Ticker Symbol:** JET

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 2 | 1985 | 14 |
| 1987 | 7 | 1984 | 17 |
| 1986 | 14 | | |

**Sales & Earnings**

| | Revenues † | Net Income + |
|---|---|---|
| 1989 | $ 50,346,000 | $ (173,000) |
| 1988 | 52,084,000 | (5,337,000) |
| 1987 | 50,072,000 | 1,007,000 |
| 1986 | 43,660,000 | 1,510,000 |
| 1985 | 40,551,000 | 1,091,000 |

| | No. of Com. Shares ‡ | Earn. per Share +‡ |
|---|---|---|
| 1989 | 2,457,000 | $ — |
| 1988 | 2,457,000 | — |
| 1987 | 2,457,000 | 0.41 |
| 1986 | 2,454,000 | 0.62 |
| 1985 | 2,386,000 | 0.46 |

(Loss)
† Of continuing operations only.
† Including extraordinary gain of $68,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

**Revenues by Line of Business**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Jetronic: | | |
| Electronic communication & navigation equipment | $ 10,619 | $ 12,986 |
| Energy conversion products group | 21,436 | 17,349 |
| The Levin Group: | | |
| Retail furniture & appliances | 14,052 | 17,228 |
| Narrow fabrics & tapes | 4,239 | 4,521 |
| Total | $ 50,346 | $ 52,084 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | 10% | — |
| 1986 | — | 10% | — |
| 1985 | — | 10% | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 6,939,000 | $ 2.82 |
| 1988 | 7,183,000 | 2.92 |
| 1987 | 12,432,000 | 5.06 |
| 1986 | 11,298,000 | 4.60 |
| 1985 | 9,598,000 | 4.02 |

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

**Income Account***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 49,284,000 | $ 51,014,000 |
| Other income | 1,062,000 | 1,070,000 |
| Total income | $ 50,346,000 | $ 52,084,000 |
| Cost of sales | 38,479,000 | 39,288,000 |
| Expenses | 10,819,000 | 15,889,000 |
| Prov. for doubtful accts. | 348,000 | 578,000 |
| Interest expense | 1,871,000 | 1,833,000 |
| Restruc. costs | 1,381,000 | 1,254,000 |
| Gain on prop. dispos. | (2,021,000) | — |
| Loss bef. taxes | $ (531,000) | $ (6,758,000) |
| Income taxes (credit) | 15,000 | (1,257,000) |
| Loss - cont. oper. | $ (546,000) | $ (5,501,000) |
| Inc. - discont. oper. | 105,000 | 164,000 |
| Net Loss | $ (441,000) | $ (5,337,000) |
| Extraord. gain | 68,000 | — |
| Cum. effect of acct. change | 200,000 | — |
| Net Loss & extraord. gain | $ (173,000) | $ (5,337,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $721,000 in 1989 and $914,000 in 1988.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 686,000 | $ 628,000 |
| Accts. receiv., net | 12,741,000 | 15,198,000 |
| *Inventories | 10,895,000 | 16,620,000 |
| Income tax refunds receiv. | — | 655,000 |
| Prepaid expenses | 1,270,000 | 1,045,000 |
| Current Assets | $ 25,592,000 | $ 34,146,000 |
| #Fixed assets | 2,479,000 | 3,328,000 |
| Goodwill | 1,121,000 | 1,499,000 |
| Other assets | 1,184,000 | 629,000 |
| Total Assets | $ 30,376,000 | $ 39,602,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 10,542,000 | $ 14,762,000 |
| Long-term debt | 441,000 | 674,000 |
| Accts. payable | 3,397,000 | 3,136,000 |
| Accrued payroll | 314,000 | 329,000 |
| Other accruals | 1,972,000 | 5,994,000 |
| Curr. Liabilities | $ 16,666,000 | $ 24,895,000 |
| Long-term debt | 6,771,000 | 7,215,000 |
| Minority interest | — | 309,000 |
| +Common stock | 246,000 | 246,000 |
| Add. paid-in capital | 9,473,000 | 9,473,000 |
| Cum. trans. adj. | — | 71,000 |
| Retained earnings (deficit) | (2,522,000) | (2,349,000) |
| Exercise of stock options | (258,000) | (258,000) |
| Total Liabilities & Shareholders' Equity | $ 30,376,000 | $ 39,602,000 |

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tape stated at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.52 | 3.07 |
| Debt to Equity | 2.56 | 1.00 |
| Working Capital | $ 8,926,000 | $ 9,251,000 |
| Current Ratio | 1.54 | 1.37 |
| Shareholders' Equity | $ 6,939,000 | $ 7,183,000 |

## Jewelcor Incorporated

72 North Franklin Street
Wilkes-Barre, Pennsylvania 18773
(717) 824-8761

(The Company was acquired by JC Acquisition Corporation in a leveraged buyout on September 13, 1988. The Company is no longer publicly held.)

**Officers:** Seymour Holtzman, president & chief exec. officer; Frank P. Cuscela, chairman of the board & chief operating officer; Joseph F. Litchman, sr. v.p., chief financial officer, treasurer & secretary; Raymond Perlman, sr. v.p.-jewelry division; Robert V. Mayer, v.p.-administration.

**Directors:** Irving M. Baron, Fletcher C. Booker, Jr., Barry C. Boyer, Frank P. Cuscela, Seymour Holtzman, Jerome Goldstein, Joseph F. Litchman, Eugene Roth, Joseph J. Stuccio.

**Business Activities:** Sells jewelry and general merchandise at 22 catalog showrooms located in California, Florida, Illinois, New Jersey, Pennsylvania and Texas, and publishes merchandise catalogs. The Company also distributes name-brand watches, engages in high-speed commercial printing and related activities in the graphic arts.

**Subsidiaries:**

Gruen Marketing Corporation
(76% owned)
Sells watches at wholesale to retail chain and department stores.

Suburban Publishers
Exeter, Pennsylvania
Graphic arts, printing and binding.

S.A. Peck & Co.
Chicago, Illinois
Engaged in the showroom and mail order catalog sale of jewelry.

Robert M. Glass Co.
Los Angeles, California
Operates jewelry catalog showrooms and mail order.

Jewelcor Merchandising Company
Wilkes-Barre, Pennsylvania
Publishes an annual full color jewelry and merchandise catalog and various promotional flyers for use by the Company's and independent showroom operators.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 17 | 1984 | 23 |
| 1986 | 22 | 1983 | 24 |
| 1985 | 23 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1987 | $ 270,760,000 | $ (956,000) |
| 1986 | 235,476,000 | 8,361,000 |
| 1985 | 251,815,000 | 3,055,000 |
| 1984 | 229,376,000 | 1,318,000 |
| 1983 | 195,735,000 | 1,255,000 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1987 | 3,257,532 | $ — |
| 1986 | 3,431,601 | 2.44 |
| 1985 | 3,511,532 | 0.87 |
| 1984 | 4,084,193 | 0.32 |
| 1983 | 4,287,564 | 0.29 |

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1987 | 1986 |
|---|---|---|
| Catalogue | $ 111,680,000 | $ 121,760,000 |
| Watches | 135,992,000 | 90,197,000 |
| Graphic Arts | 23,088,000 | 23,519,000 |
| Total | $ 270,760,000 | $ 235,476,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | — | — | — |
| 1986 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 44,596,000 | $ 13.69 |
| 1986 | 45,498,000 | 14.00 |
| 1985 | 37,084,000 | 11.60 |
| 1984 | 39,266,000 | 10.20 |
| 1983 | 39,755,000 | 9.43 |

‡ Adjusted to reflect stock split.

**Income Account*** (000's)

| Year ended Jan. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 270,760 | $ 235,476 |
| Cost of sales | 208,276 | 178,486 |
| Expenses | 47,932 | 43,082 |
| Depreciation & amortization | 3,920 | 3,448 |
| Prov. for shutdown of facil. | 4,168 | — |
| Interest expense | 6,059 | 6,015 |
| Gain on settlement of insur. | — | (1,700) |
| Gain on sale of stock of subsid. | — | (9,192) |
| Income before taxes | $ 405 | $ 15,337 |
| Income taxes | 410 | 6,062 |
| Minority interest | 951 | 914 |
| Net Income (Loss) | $ (956) | $ 8,361 |

**Assets** (000's)

| As of Jan. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 8,773 | $ 5,725 |
| Accts. receiv., net | 33,991 | 25,249 |
| *Inventories | 86,849 | 92,861 |
| Prepaid expenses | 3,888 | 3,445 |
| Deferred inc. taxes | 5,197 | 1,263 |
| Current Assets | $ 138,698 | $ 128,543 |
| #Fixed assets | 34,842 | 36,759 |
| Other assets | 3,660 | 2,383 |
| Intangibles | 7,141 | 7,484 |
| Total Assets | $ 184,341 | $ 175,169 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,969 | $ 2,151 |
| Oblig. under cap. leases, curr. | 357 | 480 |
| Banker's acceptances | 13,250 | 31,600 |
| Trade payables | 34,497 | 34,921 |
| Accruals | 23,671 | 12,035 |
| Income taxes payable | 2,723 | 776 |
| Curr. Liabilities | $ 76,467 | $ 81,963 |
| Long-term debt | 37,179 | 22,865 |
| Oblig. under cap. leases | 2,377 | 3,140 |
| Deferred inc. taxes | 6,744 | 6,800 |
| Negative goodwill | 10,841 | 8,413 |
| Minority interest | — | 6,490 |
| +Common stock | 222,000 | 222 |
| Add. paid-in capital | 19,776 | 19,754 |
| Retained earnings | 31,962 | 32,918 |
| Treasury stock | (7,364) | (7,396) |
| Total Liabilities & Shareholders' Equity | $ 184,341 | $ 175,169 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.15 | 6.51 |
| %Net Income to Sales | — | 3.55 |
| %Net Income to Equity | — | 18.38 |
| Sales to Inventories | 3.12 | 2.54 |
| Debt to Equity | 0.94 | 0.63 |
| Working Capital | $ 62,231,000 | $ 46,580,000 |
| Current Ratio | 1.81 | 1.57 |
| Shareholders' Equity | $ 44,596,000 | $ 45,498,000 |

## John Lewis plc

4 Old Cavendish Street
London, W1A 1EX, England

**Directors:** P. T. Lewis, chairman; J. S. Sadler, deputy chairman; I. A. J. Anderson, W. N. Wreford-Brown, D. R. Cloake, P. Falconer, L. H. Fletcher, J. B. Foster, S. Hampson, G. P. K. Miller, B. A. O'Callaghan, D. J. Rawlings, Betty E. Dickinson, secretary.

**Business Activities:** Operates 22 department stores in England and Scotland, under the "John Lewis" and other names. Also operates 82 Waitrose supermarkets in England. In addition, the Company manufactures textile products which are sold through the Company's department stores.

**Subsidiaries:**

John Lewis Properties plc
Waitrose Limited
Cavendish Textiles Limited
Stead, McAlpin & Company Limited
Herbert Parkinson Limited
John Lewis Overseas Limited
J.H. Birtwistle & Company Limited

**Transfer Offices:**

John Lewis plc
4 Old Cavendish Street
London, W1A 1EX, England

**Stock Exchange(s):** London

**Number of Stores:**

1988 ..... 105 1987 ..... 103

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | £ 1,917,682 | £ 57,560 |
| 1988 | 1,724,834 | 47,529 |
| 1987 | 1,568,373 | 39,299 |
| 1986 | 1,369,593 | 29,946 |
| 1985 | 1,206,223 | 26,374 |

| | No. of Com. Shares | Earn. per Share |
|---|---|---|
| 1989 | 6,750,000 | £ 8.52 |
| 1988 | 6,750,000 | 7.04 |
| 1987 | 6,750,000 | 5.82 |
| 1986 | 6,750,000 | 4.44 |

£ - Pound sterling.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | 3.0p | — | — |
| 1988 | 6.7 | — | |
| 1987 | 7.4 | — | — |
| 1986 | 10.7 | — | — |

**Common Stock Equity**

| | Total Equity ‡ (000's) | Equity Per Share |
|---|---|---|
| 1989 | £ 589,787 | £ 87.38 |
| 1988 | 543,803 | 80.56 |
| 1987 | 396,918 | 58.80 |
| 1986 | 359,303 | 53.23 |

‡ After allowing for preferred stock at stated value.

**Income Account** *

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | £ 1,917,682 | £ 1,724,834 |
| Value added tax | 163,993 | 146,628 |
| Total income | £ 1,753,689 | £ 1,578,206 |
| Cost of sales | 1,243,397 | 1,128,559 |
| Expenses: | | |
| Selling & distr. | 324,893 | 283,898 |
| Administrative | 35,539 | 26,627 |
| Pension costs | 16,709 | 14,654 |
| Interest expense | 7,947 | 4,971 |
| Partnership bonus | 47,405 | 46,222 |
| Income before taxes | £ 84,097 | £ 75,085 |
| Income taxes | 26,537 | 27,556 |
| Net Income | £ 57,560 | £ 47,529 |

* Included in Costs and Expenses, and Depreciation: £ 25,782,000 in 1989 and £ 20,919,000 in 1988.

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | £ 2,425 | £ 5,691 |
| Investments | — | 12,703 |
| *Stocks | 160,182 | 142,718 |
| Debtors | 135,831 | 119,837 |
| Current Assets | £ 298,438 | £ 280,949 |
| Investment in affil co. | 3,086 | 2,395 |
| #Fixed assets | 623,571 | 539,223 |
| Total Assets | £ 925,095 | £ 822,567 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank loans & overdrafts | £ 20,000 | £ 9,207 |
| Accts. payable | 102,199 | 68,304 |
| Holding company | 1,339 | 1,054 |
| Other payables | 17,985 | 12,458 |
| Taxes & social security | 68,514 | 66,532 |
| Accruals & deferred income | 16,174 | 15,844 |
| Proposed dividend | 200 | 450 |
| Partnership bonus | 47,498 | 46,224 |
| Curr. Liabilities | £ 273,909 | £ 220,073 |
| Long-term debt | 59,149 | 56,441 |
| +Preferred stock: | | |
| 5% first cumulative | 1,500 | 1,500 |
| 7% cumulative | 750 | 750 |
| ++Common stock | 6,750 | 6,750 |
| Share premium account | 3,277 | 3,277 |
| Revaluation reserve | 169,227 | 176,497 |
| Other reserves | 1,365 | 1,365 |
| Profit and loss account | 409,168 | 355,914 |
| Total Liabilities & Shareholders' Equity | £ 925,095 | £ 822,567 |

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ No par value.
++ £ 1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.39 | 4.35 |
| %Net Income to Sales | 3.00 | 2.76 |
| %Net Income to Equity | 9.72 | 8.70 |
| Sales to Inventories | 11.97 | 12.09 |
| Debt to Equity | 0.13 | 0.12 |
| Working Capital | £ 24,529,000 | £ 60,876,000 |
| Current Ratio | 1.09 | 1.28 |
| Shareholders' Equity | £ 592,037,000 | £ 546,053,000 |

## Judy's Inc.

7710 Haskell Avenue
Van Nuys, California 91406
(818) 787-0300
(213) 873-6200

Mailing address:
P.O. Box 9299
Van Nuys, California 91409-9917

**Officers:** Lawrence Israel, chairman of the board & treasurer; Marcia Israel, president & chief executive officer; Ben Sumner, v.p.-finance & secretary; Ronald Goldstein, v.p.-operations/store design; Irene Satz, v.p.-fashion direction; Bill Isaacs, v.p.-G.Hq., Inc..

**Directors:** Lawrence Israel, chairman; Marcia Israel, Preston Kline, Ben Sumner, Herbert Korn, Jack D. Steele.

**Business Activities:** Operates a chain of 104 Judy's retail apparel stores designed to appeal to young men and women, including 34 separate men's apparel stores under the name "G.Hq." These stores are located in California, Nevada, Texas, Arizona and New Mexico.

**Subsidiaries:**

Judy's Merchandising Corporation
570 Seventh Avenue
New York, New York 10018
(212) 921-8175

Judy's Fashion Valley, Inc.
Gvaase, Inc.
G.Hq., Inc.

**Transfer Agent(s):**

Bank of America
National Trust & Savings Association
P.O. Box 37002
San Francisco, California 94137

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** JUDY (NASDAQ)

**Number of Stores:** (at fiscal year end)

1988 ..... 104 1985 ..... 85
1987 ..... 102 1984 ..... 78
1986 ..... 96

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 57,474,000 | $ 352,000 |
| 1988 | 57,489,000 | 7,000 |
| 1987 | 58,717,000 | 426,000 |
| 1986 | 56,729,000 | 1,170,000 |
| 1985 | 50,493,000 | 1,017,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 4,569,000 | $ 0.08 |
| 1988 | 4,529,000 | — |
| 1987 | 4,528,000 | 0.09 |
| 1986 | 4,526,000 | 0.26 |
| 1985 | 4,518,000 | 0.23 |

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.06 | — | — |
| 1988 | 0.06 | — | |
| 1987 | 0.06 | — | 2-for-1 |
| 1986 | 0.06 | — | — |
| 1985 | 0.06 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 16,363,000 | $ 3.58 |
| 1988 | 16,061,000 | 3.55 |
| 1987 | 16,316,000 | 3.60 |
| 1986 | 16,167,000 | 3.57 |
| 1985 | 15,247,000 | 3.37 |

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Income Account** *

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 57,474,000 | $ 57,489,000 |
| Cost of sales | 39,847,000 | 39,794,000 |
| Expenses | 17,654,000 | 18,045,000 |
| Gain from sale of prop. | — | (700,000) |
| Interest expense | 354,000 | 237,000 |
| Inc. (loss) bef. taxes | $ (381,000) | $ 13,000 |
| Income taxes (credit) | (133,000) | 6,000 |
| Cum. effect of acct. change | (600,000) | — |
| Net Income | $ 352,000 | $ 7,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,876,000 in 1989 and $1,838,000 in 1988.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 237,000 | $ 449,000 |
| Cash in trust | — | 552,000 |
| Accts. receiv., net | 347,000 | 278,000 |
| Receiv. from lessors | — | 138,000 |
| *Inventories | 9,521,000 | 8,927,000 |
| Prepaid expenses | 890,000 | 841,000 |
| Prepaid inc. taxes | 153,000 | — |
| Current Assets | $ 11,148,000 | $ 11,185,000 |
| #Fixed assets | 11,376,000 | 11,232,000 |
| Other assets | 2,214,000 | 2,228,000 |
| Total Assets | $ 24,738,000 | $ 24,645,000 |

**Liabilities**

| | | |
|---|---|---|
| Short-term bank borrowing | $ 300,000 | $ — |
| Long-term debt, curr. | 33,000 | 1,030,000 |
| Cheques issued but not presented for payment | 940,000 | 364,000 |
| Accts. payable | 3,193,000 | 2,897,000 |
| Dividends pay. | 69,000 | 68,000 |
| Accruals | 1,336,000 | 1,237,000 |
| Inc. taxes | — | 62,000 |
| Curr. Liabilities | $ 5,871,000 | $ 5,658,000 |
| Long-term debt | 445,000 | 478,000 |
| Deferred inc. taxes | 2,059,000 | 2,448,000 |
| +Common stock | 2,308,000 | 2,265,000 |
| Add. paid-in capital | 2,033,000 | 1,853,000 |
| Retained earnings | 12,022,000 | 11,943,000 |
| Total Liabilities & Shareholders' Equity | $ 24,738,000 | $ 24,645,000 |

* At lower of cost (FIFO) or market, determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 0.02 |
| %Net Income to Sales | 0.61 | 0.01 |
| %Net Income to Equity | 2.15 | 0.04 |
| Sales to Inventories | 6.04 | 6.44 |
| Debt to Equity | 0.05 | 0.09 |
| Working Capital | $ 5,277,000 | $ 5,527,000 |
| Current Ratio | 1.90 | 1.98 |
| Shareholders' Equity | $ 16,363,000 | $ 16,061,000 |

## Jumping-Jacks Shoes, Inc.

100 Fifth Street
Monett, Missouri 65708
(417) 235-3122

**Officers:** John C. McPhee, president & chief executive officer; Gerald A. McCaffrey, executive v.p. & general manager; J. Wayne Fields, sr. v.p.-finance; Charles E. Hinkle, v.p.-administration & treasurer; Rose Mary Lobato, v.p. & general manager-Bernardo Division; James B. Pedley, v.p.-retail; Mario E. Moreno, v.p. & general manager-Jumping-Jacks Shoes Puerto Rico, Inc.; John J. McPhee, corporate v.p.; John E. Schaeffer, secretary.

**Directors:** John C. McPhee, Gerald A. McCaffrey, Rose Mary Lobato, Houston L. Hartley, Wilbur N. Lenz, Charles L. Smith.

**Areas of Work:** Operates 28 retail shoe stores in California, Colorado, Kansas, Missouri, Nevada, Pennsylvania, South Carolina, Virginia, and the Commonwealth of Puerto Rico, primarily under the name "Jumping-Jacks." Four of these stores operating under the name "Kenny Kardon" in the Pittsburgh, Pennsylvania, metropolitan area sell both footwear and apparel. The Company also designs, manufactures and distributes footwear.

**Transfer Agent(s):**

Bank of America
San Francisco, California

**Stock Exchange(s):** American

**Ticker Symbol:** JJS

**Number of Stores:**

1988 . . . . . 28 1987 . . . . . 26

**Sales & Earnings x**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 41,144,000 | $ (2,280,000) |
| 1987 | 39,291,000 | (401,000) |
| 1986 | 41,657,000 | 843,000 |
| 1985 | 34,925,000 | 1,078,000 |
| 1984 | 33,196,000 | 1,984,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,675,000 | $ — |
| 1987 | 2,675,000 | — |
| 1986 | 2,675,000 | 0.32 |
| 1985 | 2,338,000 | 0.46 |
| 1984 | 2,000,000 | 0.99 |

(Loss)
x Restated to reflect change in inventory accounting method.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | — |
| 1985 | — | — | 200-for-275 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 7,940,000 | $ 2.97 |
| 1987 | 10,220,000 | 3.82 |
| 1986 | 10,525,000 | 3.93 |
| 1985 | 9,318,000 | 3.99 |
| 1984 | 4,640,000 | 2.32 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account** *

| Year ended Apr. 30 | 1988 | 1987‡ |
|---|---|---|
| Net sales | $ 41,144,054 | $ 39,290,601 |
| Cost of sales | 28,742,866 | 26,677,419 |
| Expenses | 12,796,360 | 11,743,228 |
| Interest expense | 2,001,934 | 1,241,438 |
| Other income | (339,872) | (225,508) |
| Loss before taxes | $ (2,027,234) | $ (145,976) |
| Income taxes | 253,000 | 255,500 |
| Net Loss | $ (2,280,234) | $ (401,476) |

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $895,854 in 1988 and $704,555 in 1987.

**Assets**

| As of Apr. 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 693,987 | $ 372,864 |
| Accts. receiv., net | 4,270,283 | 3,647,149 |
| *Inventories | 16,719,801 | 17,260,313 |
| Prepaid expenses | 978,108 | 787,228 |
| Current Assets | $ 22,662,179 | $ 22,067,554 |
| #Fixed assets | 4,294,235 | 4,252,060 |
| Other assets | 838,252 | 705,242 |
| Total Assets | $ 27,794,666 | $ 27,024,856 |

**Liabilities**

| | | |
|---|---|---|
| Revolv. credit agrm. | $ 8,600,000 | $ 4,389,950 |
| Long-term debt, curr. | 683,862 | 694,826 |
| Accts. payable | 1,255,783 | 1,612,754 |
| Accruals | 1,132,884 | 1,300,077 |
| Income taxes | — | 204,014 |
| Curr. Liabilities | $ 11,672,529 | $ 8,201,621 |
| Long-term debt | 7,862,023 | 8,420,887 |
| Deferred inc. taxes | 319,885 | 181,885 |
| +Common stock | 26,750 | 26,750 |
| Add. paid-in capital | 3,945,333 | 3,945,333 |
| Retained earnings | 3,968,146 | 6,248,380 |
| Total Liabilities & Shareholders' Equity | $ 27,794,666 | $ 27,024,856 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 2.46 | 2.28 |
| Debt to Equity | 1.08 | 0.89 |
| Working Capital | $ 10,989,650 | $ 13,865,933 |
| Current Ratio | 1.94 | 2.69 |
| Shareholders' Equity | $ 7,940,229 | $ 10,220,463 |

## K Mart Corporation

3100 West Big Beaver Road
Troy, Michigan 48084
(313) 643-1000

**Officers:** Joseph E. Antonini, chairman, president & chief executive officer; Larry M. Parkin, exec. v.p.-warehouse & grocery operations; Richard S. Miller, exec. v.p.-K mart Stores; Joseph R. Thomas, exec. v.p. & chief administrative officer; William D. Underwood, sr. v.p.-general merchandise; Roger E. Davis, sr. v.p., general counsel and secretary; Ronald R. Dejaeghere, v.p.-community affairs; Paul Hueber, v.p.-Western Region; Gerald R. Fletcher, v.p.; Donald W. Keeble, v.p.-Midwestern Region; Anthony R. Mauro, v.p.-distribution & transportation, K mart Stores; James P. Churilla, v.p. & treasurer; Thomas M. Neiben, v.p.-human resources & customer service; James E. Ford, v.p.-Eastern Region; Peter J. Palmer, v.p.-labor relations & asst. general counsel; Glenn B. Smith, v.p. & pres.-K mart Apparel Corp.; Jay D. Scussel, v.p.-systems development; Michael

L. Skiles, v.p.-corp. facilities; A. Robert Stevenson, v.p.-public affairs; Bernard E. Thomas, sr. v.p.-personnel; John S. Valenti, v.p.-Southwestern Region; Joseph R. Thomas, sr. v.p.-corp. personnel; David Vine, v.p.-executive resources; David P. Walling, v.p.-accounting administration; Thomas H. Nigolian, sr. v.p.-store planning & interior design; Glen R. Mielke, v.p., & pres.-Builders Square, Inc.; James L. Moser, v.p. & merchandise systems coordinator; Thomas F. Murasky, v.p. & chief financial officer; Robert C. McAllister, v.p.-Southern Region; David M. Carlson, sr. v.p.-corp. info. systems; Anthony N. Palizzi, v.p., assoc. gen. counsel & asst. secretary; Thomas W. Watkins, sr. v.p.-store operations; Michael G. Wellman, v.p.-marketing.

**Directors:** Joseph E. Antonini*, chairman; James F. Bere*, Carl A. Gerstacker*, David B. Harper*, Donald S. Perkins*, Willie D. Davis, Joseph D. Flannery*, Gloria M. Shatto, Larry M. Parkin, Joseph R. Thomas, Bernard M. Fauber*, Ellen R. Marram, F. James McDonald, Richard S. Miller.

* Member of the Executive Committee

**Business Activities:** Operates a chain of 2,307 discount stores in the United States, Canada, and Puerto Rico under the names "K mart," "Kresge" and "Jupiter." K mart Apparel Corp. operates ladies ready-to-wear departments. Also operated Waldenbooks, a chain of 1,218 retail book stores; Buildings Square, a chain of 133 warehouse home centers; Pay Less Drug Stores Northwest, a chain of 269 retail drug stores; Bargain Harold's, a chain with 153 discount stores in Canada; and two Office Square office furniture and supplies retail stores located in the Chicago area.

**Subsidiaries:**

K mart Canada Limited
8925 Torbram Street
Brampton, Ontario M5B 1L3, Canada
(416) 366-3771

K mart Apparel Corp.
7373 Westside Avenue
North Bergen, New Jersey 07047
(201) 861-9100

K mart Insurance Services, Inc.
200 Treadway Plaza
Exchange Park
Dallas, Texas 75245
(214) 351-5361

Builders Square, Inc.
San Antonio, Texas

Pay Less Drug Stores Northwest, Inc.
Wilsonville, Oregon

Walden Book Company, Inc.
Stamford, Connecticut

Bargain Harold's Discount Ltd.
Downsview, Ontario, Canada

Makro, Inc.
(51%-owned)
Cincinnati, Ohio
Operates six warehouse clubs offering general merchandise and food products.

**Transfer Agent(s):**

National Bank of Detroit
Detroit, Michigan

**Stock Exchange(s):** New York, Pacific, Tokyo

**Ticker Symbol:** KG

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 4,085 | 1986 | 3,848 |
| 1988 | 3,934 | 1985 | 3,520 |
| 1987 | 3,783 | | |

**Sales & Earnings**

| | Net Sales + (000's) | Net Income † (000's) |
|---|---|---|
| 1989 | $ 27,301,000 | $ 803,000 |
| 1988 | 25,627,000 | 692,000 |
| 1987 | 23,812,000 | 582,000 |
| 1986 | 22,035,000 | 221,000 |
| 1985 | 20,762,000 | 499,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1989 | 200,000,000 | $ 4.00 |
| 1988 | 202,000,000 | 3.40 |
| 1987 | 199,000,000 | 2.90 |
| 1986 | 188,000,000 | 1.15 |
| 1985 | 188,000,000 | 2.56 |

+ Of continuing operations only.
† Including extraordinary loss of $16,000,000 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 1.32 | — | — |
| 1988 | 1.16 | — | — |
| 1987 | 1.00 | — | 3-for-2 |
| 1986 | 0.92 | — | — |
| 1985 | 0.84 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 5,009,000 | $ 25.12 |
| 1988 | 4,409,000 | 22.08 |
| 1987 | 3,939,000 | 19.66 |
| 1986 | 3,273,000 | 17.32 |
| 1985 | 3,233,800 | 17.24 |

‡ Adjusted to reflect stock split.

**Income Account** * (000's)

| Year ended | 1/25/89 | 1/27/88 |
|---|---|---|
| Net sales | $ 27,301,000 | $ 25,627,000 |
| Other income | 387,000 | 351,000 |
| Total income | $ 27,688,000 | $ 25,978,000 |
| Cost of sales | 19,914,000 | 18,564,000 |
| Expenses | 5,603,000 | 5,296,000 |
| Advertising | 581,00 | 617,000 |
| Interest expense | 346,000 | 330,000 |
| Income before taxes | $ 1,244,000 | $ 1,171,000 |
| Income taxes | 441,000 | 479,000 |
| Net Income | $ 803,000 | $ 692,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $437,000,000 in 1989 and $401,000,000 in 1988.

**Assets** (000's)

| As of | 1/25/89 | 1/27/88 |
|---|---|---|
| Cash | $ 948,000 | $ 449,000 |
| *Inventories | 5,671,000 | 5,571,000 |
| Accts. receiv. & other curr. assets | 527,000 | 353,000 |
| Current Assets | $ 7,146,000 | $ 6,373,000 |
| Investments in affil. cos. | 506,000 | 379,000 |
| #Fixed assets | 3,896,000 | 3,744,000 |
| Other assets & def. charges | 578,000 | 610,000 |
| Total Assets | $ 12,126,000 | $ 11,106,000 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Accts. payable | $ 2,334,000 | $ 2,309,000 |
| Accrued payroll taxes & other liabilities | 650,000 | 608,000 |
| Other taxes | 282,000 | 242,000 |
| Income taxes | 226,000 | 211,000 |
| Current Liabilities | $ 3,492,000 | $ 3,370,000 |
| Long-term debt | 1,358,000 | 1,191,000 |
| Oblig. under cap. leases | 1,588,000 | 1,557,000 |
| Deferred inc. taxes | 220,000 | 200,000 |
| Other liabilities | 459,000 | 379,000 |
| +Common stock | 204,000 | 204,000 |
| Add. paid-in capital | 588,000 | 572,000 |
| Retained earnings | 4,345,000 | 3,806,000 |
| Treasury stock | (131,000) | (98,000) |
| Foc. curr. trans. adj. | 3,000 | (75,000) |
| Total Liabilities & Shareholders' Equity | $ 12,126,000 | $ 11,106,000 |

* At lower of cost or market using the retail method. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.56 | 4.57 |
| %Net Income to Sales | 2.94 | 2.70 |
| %Net Income to Equity | 16.03 | 15.70 |
| Sales to Inventories | 4.81 | 4.60 |
| Debt to Equity | 0.59 | 0.62 |
| Working Capital | $ 3,654,000,000 | $ 3,003,000,000 |
| Current Ratio | 2.05 | 1.89 |
| Shareholders' Equity | $ 5,009,000,000 | $ 4,409,000,000 |

## Kay Jewelers, Inc.

320 King Street
Alexandria, Virginia 22314
(703) 683-3800

**Officers:** Anthonie C. van Ekris, chairman & chief executive officer; Michael R. Lavington, president & chief operating officer; Joe Bernstein, sr. v.p.; Harry Braverman, v.p.; John Rambo, sr. v.p.; Roldan Fernandez, v.p. & chief financial officer; John F. Kosik, v.p., secretary & general counsel; Timothy Braun, vice president; William Heide, vice president; Harold Schlackman, vice president; Frank Schmidt, vice president; Ben Rifkin, vice president; Steven Shonebarger, vice president; Felix J. Pomponi, controller & principal accounting officer; Miguel Zarraga, treasurer.

**Directors:** Anthonie C. van Ekris, chairman of the board; Joerg Bucherer, Whitney I. Gerard, Hugh K. Joyce, Michael R. Lavington, Oliver Stahel.

**Business Activities:** Operates 462 jewelry stores and leased departments in 34 states under the names Kay Jewelers, J.B. Robinson, Marcus & Co., and Black, Starr & Frost.

**Subsidiaries:**

Marcus & Co., Inc.
Operates 42 leased fine jewelry departments in major department stores.

Black, Starr & Frost, Ltd.
Retails exclusive jewelry in 18 store and hotel locations.

J.B. Robinson
Operates 78 jewelry stores primarily in the Midwest.

**Transfer Agent(s):**

Morgan Shareholders Services Trust Company
30 West Broadway
New York, New York 10007-2192

**Stock Exchange(s):** New York

**Ticker Symbol:** KJI

## Kay Jewelers, Inc.

**Number of Retail Units:** (at fiscal year end)

| | Stores | Leased Departments |
|---|---|---|
| 1988 | 420 | 42 |
| 1987 | 401 | 42 |
| 1986 | 399 | 53 |
| 1985 | 290 | 48 |
| 1984 | 290 | 48 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 416,889,000 | $ 10,924,000 |
| 1987 | 365,530,000 | 10,489,000 |
| 1986 | 276,282,000 | 9,669,000 |
| 1985 | 230,389,000 | 7,481,000 |
| 1984 | 206,656,000 | 5,387,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 12,432,000 | $ 0.88 |
| 1987 | 12,425,000 | 0.84 |
| 1986 | 12,448,000 | 0.78 |
| 1985 | 12,200,000 | 0.62 |
| 1984 | 11,839,000 | 0.46 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.32 | — | 5-for-4 |
| 1987 | 0.26 | — | — |
| 1986 | 0.20 | — | 5-for-4 |
| 1985 | 0.12 | — | — |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 56,607,000 | $ 4.55 |
| 1987 | 48,112,000 | 3.87 |
| 1986 | 42,900,000 | 3.45 |
| 1985 | 35,781,000 | 2.93 |
| 1984 | 27,505,000 | 2.32 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account** *
(000's)

| Year ended | 1988 | 1987 |
|---|---|---|
| Net sales | $ 416,889 | $ 365,530 |
| Other income | 3,423 | 2,338 |
| Total income | $ 420,312 | $ 367,868 |
| Cost of sales | 180,707 | 160,050 |
| Expenses | 168,363 | 146,316 |
| Prov. for doubtful accts. | 36,889 | 23,808 |
| Interest expense | 22,096 | 19,404 |
| Income before taxes | $ 12,257 | $ 18,290 |
| Income taxes | 1,333 | 7,801 |
| Net Income | $ 10,924 | $ 10,489 |

* Included in Costs and Expenses, Depreciation and Amortization: $10,388,000 in 1988 and $8,755,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 103 | $ 1,508 |
| Accts. receiv., net | 15,328 | 159,206 |
| *Inventories | 171,657 | 117,826 |
| Def. inc. taxes | 3,405 | — |
| Other curr. assets | 4,432 | 3,145 |
| Current Assets | $ 194,925 | $ 281,685 |
| #Fixed assets | 52,619 | 42,280 |
| Due from Balfour Maclaine | 3,700 | 1,500 |
| Value of leases acq. | 1,753 | 2,192 |
| Other assets | 8,046 | 2,292 |
| Intangibles | 14,146 | 14,283 |
| Total Assets | $ 275,189 | $ 344,232 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 12,695 | $ 75,000 |
| Long-term debt, curr. | 1,200 | 11,200 |
| Accts. payable | 60,058 | 57,144 |
| Accruals | 24,825 | 22,728 |
| Accrued payroll | 6,474 | 6,258 |
| Due to NCNB | 9,321 | — |
| Taxes payable | 21,103 | 1,880 |
| Deferred income taxes | — | 5,672 |
| Curr. Liabilities | $ 135,676 | $ 179,882 |
| Long-term debt | 79,114 | 99,221 |
| Deferred inc. taxes | 3,792 | 17,017 |
| +Common stock | 12,448 | 12,448 |
| Add. paid-in capital | 15,236 | 15,236 |
| Retained earnings | 29,458 | 22,518 |
| Treasury stock | (5) | (112) |
| Unpaid stock subscrip. | (530) | (1,978) |
| Total Liabilities & Shareholders' Equity | $ 275,189 | $ 344,232 |

* At lower of cost (LIFO) or market. J.B.R. inventories valued by the retail method.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.94 | 5.00 |
| %Net Income to Sales | 2.62 | 2.87 |
| %Net Income to Equity | 19.30 | 21.80 |
| Sales to Inventories | 2.43 | 3.10 |
| Debt to Equity | 1.64 | 3.85 |
| Working Capital | $ 59,249,000 | $ 101,803,000 |
| Current Ratio | 1.44 | 1.57 |
| Shareholders' Equity | $ 56,607,000 | $ 48,112,000 |

## Kelly, Douglas & Company, Limited

P.O. Box 2039
Vancouver, British Columbia V6B 3S1, Canada
(604) 665-1200

**Officers:** Richard J. Currie, chairman; R. J. Addington, president; S. K. Darkazanli, sr. v.p.-corporate development & pres.-Prairie Region; D. M. McLellan, sr. v.p., & pres.-B.C. & Yukon region; Earle Barbour, v.p.-distribution services; R. J. Heys, v.p.-engineering & construction; Douglas W. Hunter, v.p.-real estate & development; F. L. Valair, v.p.-information systems; K. B. Williams, v.p.-corp. merchandising; D. N. DeLuca, v.p.-retail operations & marketing, B.C. & Yukon Region; A. E. Magner, v.p.-finance; T. M. Dyer, v.p., treasurer and secretary.

**Directors:** W. Galen Weston, Raymond J. Addington*, Richard J. Currie*, Charles M. Humphrys*, C. Francis Murphy, K. W. Campbell*, James T. Fraser*.

* Member of the Executive Committee

**Business Activities:** Engaged primarily in the wholesale and retail distribution of food and other products, and in dairy operations, operating in Western Canada. Retail food stores operates under the names "Real Canadian Superstores," "Extra Foods," "Super Valu," "Shop Easy," "Foodmaster," and "Mr. Grocer."

**Divisions and Subsidiaries:**

Fairview Farms Limited
Foremost Foods Ltd.
Westfair Foods Ltd.
Westfair Wholesale Properties Ltd.
Western Commodities Ltd.
Western Grocers Ltd.
Tomboy Stores, Ltd.
Economart Ltd.
SuperValu Stores, Ltd.
Westfair Products (1981) Ltd.

**Transfer Agents(s):**

National Trust Company
Toronto & Vancouver, Canada

**Stock Exchange(s):** Toronto

**Ticker Symbol:** KLDQ (Toronto)

**Sales & Earnings**

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 2,352,088 | $ 28,113 |
| 1987 | 2,099,736 | 23,671 |
| 1986* | 2,041,038 | 32,740 |
| 1985 | 1,887,590 | 24,047 |
| 1984 | 1,702,045 | 18,301 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 6,327,098 | $ 4.44 |
| 1987 | 6,327,098 | 3.74 |
| 1986* | 6,327,098 | 5.17 |
| 1985 | 6,327,098 | 3.80 |
| 1984 | 6,327,098 | 2.89 |

* 53 Weeks.
# Based on Class A and B shares combined.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.35 | — | — |
| 1987 | 0.35 | — | — |
| 1986 | 0.35 | — | — |
| 1985 | 0.35 | — | — |
| 1984 | 0.35 | — | — |

‡ Paid in Class A shares.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 271,998,000 | $ 42.98 |
| 1987 | 249,579,000 | 39.45 |
| 1986 | 231,602,000 | 36.60 |
| 1985 | 204,556,000 | 32.33 |
| 1984 | 186,203,000 | 29.43 |

‡ Based on Class A and B Stock combined.

**Income Account**
(000's)

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 2,352,088 | $ 2,099,736 |
| Investment income | 4,294 | 3,650 |
| Total income | $ 2,356,382 | $ 2,103,386 |
| Cost of sales | 2,281,175 | 2,037,284 |
| Depreciation & amortization | 14,407 | 14,201 |
| Interest expense | 5,863 | 6,812 |
| Income before taxes | $ 54,937 | $ 45,089 |
| Income taxes | 26,764 | 21,358 |
| Minority interest | 60 | 60 |
| Net Income | $ 28,113 | $ 23,671 |

**Assets**
(000's)

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 8,525 | $ 304 |
| Accts. receiv., net | 105,053 | 93,817 |
| *Inventories | 187,860 | 175,284 |
| Prepaid expenses | 2,948 | 2,997 |
| Current Assets | $ 304,386 | $ 272,402 |
| #Fixed assets | 213,740 | 175,517 |
| Investments & other assets | 17,874 | 22,863 |
| Property under cap. leases | 833 | 923 |
| Defer. charges & intangibles | 3,568 | 4,007 |
| Total Assets | $ 540,401 | $ 475,712 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,263 | $ 1,270 |
| Cap. lease oblig., curr. | 65 | 57 |
| Bank advances | — | 38,587 |
| Accts. payable & accruals | 187,631 | 155,352 |
| Income taxes | 18,143 | 10,681 |
| Mortgage payable | 2,960 | — |
| Curr. Liabilities | $ 210,062 | $ 205,947 |
| Long-term debt | 47,433 | 8,793 |
| Cap. lease oblig. | 1,215 | 1,275 |
| Minority interest | 595 | 595 |
| Deferred inc. taxes | 8,989 | 9,399 |
| Deferred income | 109 | 124 |
| +Class A shares | 41,717 | 41,717 |
| +Class B shares | 1,636 | 1,636 |
| Retained earnings | 228,645 | 206,226 |
| Total Liabilities & Shareholders' Equity | $ 540,401 | $ 475,712 |

* Retail store inventories are stated at the lower of cost and net realizable value less normal profit margin.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.34 | 2.15 |
| %Net Income to Sales | 1.20 | 1.13 |
| %Net Income to Equity | 10.34 | 9.48 |
| Sales to Inventories | 12.52 | 11.98 |
| Debt to Equity | 0.18 | 0.05 |
| Working Capital | $ 94,324,000 | $ 66,455,000 |
| Current Ratio | 1.45 | 1.32 |
| Shareholders' Equity | $ 271,998,000 | $ 249,579,000 |

## Kenwin Shops, Inc.

4747 Granite Drive
Tucker, Georgia 30084
(404) 938-0451

**Officers:** Ira Abramson, chairman, v.p. & secretary; Robert Schwartz, president & asst. treasurer; Richard Moskowitz, v.p. & asst. secretary; Kenneth Silberstein, treasurer.

**Directors:** Richard Moskowitz, Robert Schwartz, Ira Abramson, Kenneth Silberstein, Martin L. Conrad, Henry Krauss.

**Business Activities:** Operates a chain of 204 ladies' and children's apparel shops which are concentrated in the South, under the names Peyton Shops, Kenwin, Smart & Thrifty, Blends 'N' Trends, Suzanne, Dixie, and Dress for Le$$.

**Transfer Agent(s):**

Registrar and Transfer Company
Cranford, New Jersey

**Stock Exchange(s):** American

**Ticker Symbol:** KWN

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 204 | 1985 | 238 |
| 1987 | 221 | 1984 | 229 |
| 1986 | 232 | | |

**Sales & Earnings**

| | Net Sales | Net Income + |
|---|---|---|
| 1988 | $ 26,169,989 | $ (260,138) |
| 1987* | 27,674,195 | (288,014) |
| 1986 | 27,934,425 | (398,911) |
| 1985 | 29,503,884 | 610,949 |
| 1984 | 28,655,405 | 1,007,736 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 406,410 | $ — |
| 1987* | 406,418 | — |
| 1986 | 406,430 | — |
| 1985 | 433,608 | 1.42 |
| 1984 | 426,603 | 2.36 |

(Loss)
* 53 weeks.
+ Including extraordinary gain of $149,000 ($0.35 per share) in 1984.
‡ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.25 | — | |
| 1986 | 0.80 | — | — |
| 1985 | 1.00 | — | — |
| 1984 | 0.80 | — | — |

‡ Based on the weighted average number of shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 6,535,305 | $ 16.08 |
| 1987 | 6,795,443 | 16.72 |
| 1986 | 7,185,308 | 17.68 |
| 1985 | 7,909,363 | 18.24 |
| 1984 | 7,906,517 | 18.53 |

‡ Based on the weighted average number of shares outstanding.

**Income Acc**

| Year ended | 1/1/89 (53 weeks) | 1/3/88 |
|---|---|---|
| Net sales | $ 26,168,989 | $ 27,674,195 |
| Cost of sales | 16,478,341 | 17,853,844 |
| Expenses | 9,617,463 | 9,896,202 |
| Depreciation & amortization | 347,874 | 329,962 |
| Interest income | (1,831) | (3,074) |
| Interest expense | 215,280 | 162,749 |
| Loss bef. taxes | $ (488,138) | $ (565,488) |
| Tax credit | (228,000) | (243,000) |
| Cum. effect of change in accntg. meth. | — | (34,474) |
| Net Loss | $ (260,138) | $ (288,014) |

**Assets**

| As of | 1/1/89 | 1/3/88 |
|---|---|---|
| Cash | $ 1,269,269 | $ 1,047,642 |
| Accts. receiv., net | 4,375,075 | 4,604,100 |
| *Inventories | 4,465,837 | 4,821,289 |
| Notes receivable | — | 23,500 |
| Prepaid expenses | 346,814 | 320,580 |
| Deferred inc. taxes | — | 44,000 |
| Current Assets | $ 10,456,995 | $ 10,861,111 |
| #Fixed assets | 1,705,341 | 1,720,584 |
| Other assets | 45,022 | 43,721 |
| Total Assets | $ 12,207,358 | $ 12,625,416 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 2,700,000 | $ 2,000,000 |
| Accts. payable | 2,159,155 | 2,820,054 |
| Accruals | 406,611 | 445,446 |
| Customers deposits | 195,215 | 184,703 |
| Other taxes | 185,072 | 242,770 |
| Curr. Liabilities | $ 5,646,053 | $ 5,692,973 |
| Deferred inc. taxes | 26,000 | 137,000 |
| +Common stock | 464,212 | 464,212 |
| Add. paid-in capital | 674,049 | 674,049 |
| Retained earnings | 6,301,556 | 6,561,694 |
| Treasury stock | (904,512) | (904,512) |
| Total Liabilities & Shareholders' Equity | $ 12,207,358 | $ 12,625,416 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 5.86 | 5.74 |
| Debt to Equity | 0.41 | 0.29 |
| Working Capital | $ 4,810,942 | $ 5,168,138 |
| Current Ratio | 1.85 | 1.91 |
| Shareholders' Equity | $ 6,535,305 | $ 6,795,443 |

## Kinder-Care, Inc.

2400 Presidents Drive
Montgomery, Alabama 36116
(205) 277-5090

**Officers:** Perry Mendel, chairman of the board & chief executive officer; Richard J. Grassgreen, president, chief operating officer & secretary; Edward Gibeon, exec. v.p.-child care; Eddie O. Habors, sr. v.p.-finance & treasurer; Charles B. Paterson, sr. v.p. & general counsel; Wayne Nellums, v.p.-corporate taxes; L. Wayne Drury, corporate controller.

**Directors:** Perry Mendel, chairman; Richard J. Grassgreen, Aaron M. Aronov, Fred Berman, William L. Gauntt, Mark Sabel, Larry E. Wallock.

**Business Activities:** Through wholly owned subsidiaries, the Company operates a regional chain of 62 discount clothing stores in small towns in Alabama, Georgia and Mississippi under the name Bargain Town, and a chain of 198 discount shoe stores in the southeastern U.S. under the name Shoe City. The Company also provides child day care, educational, insurance, financial and related services.

**Retail Subsidiaries:**

Kinder-Care Specialty Retail Group, Inc.

Shoe City, Inc.
527 Buckingham Drive
Montgomery, Alabama 36116
(205) 281-0170

Bargain Town U.S.A., Inc.
Birmingham, Alabama

## Kinder-Care, Inc.

**Other Subsidiaries:**

Kinder Care Learning Centers, Inc.
Operates 1,130 day care centers in 40 states and two Canadian provinces.

Sylvan Learning Corporation
Offers diagnostic testing and prescriptive instruction through reading, math and related programs for children and adults at 39 company-owned and 372 franchised learning centers.

Pioneer Western Holdings Corporation
Owns Centerbanc Savings Association, a state-chartered savings and loan association offering financial services at 15 branches in Florida.

Pioneer Western Corporation
Provides life insurance and related products.

Western Reserve Life Assurance Co. of Ohio
Offers life insurance and other related products.

Portrait Industries Corporation
Provides picture and portrait services.

**Transfer Agent(s):**

First Alabama Bank
P.O. Box 5260
Montgomery, Alabama 36103-5260

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** KNDR (NASDAQ)

**Number of Stores:**

| | |
|---|---|
| 1987 | 260 |

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 12/31/87 | $ 506,182,000 | $ 26,303,000 |
| 12/31/86* | 123,121,000 | 466,000 |
| 8/29/86 | 299,551,000 | 33,336,000 |
| 8/30/85 | 215,632,000 | 24,598,000 |
| 8/31/84 | 174,847,000 | 16,633,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 12/31/87 | 46,536,000 | $ 0.57 |
| 12/31/86* | 44,741,000 | 0.01 |
| 8/29/86 | 44,687,000 | 0.75 |
| 8/30/85 | 39,265,000 | 0.63 |

* 18 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1987 | 1986 |
|---|---|---|
| Child care | $ 252,476 | $ 79,232 |
| Financial services | 203,489 | 33,872 |
| Speciality retail | 11,923 | — |
| Corporate | 64,332 | 19,361 |
| Eliminations | (26,038) | (9,344) |
| Total | $ 506,182 | $ 123,121 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 12/31/87 | $ 299,824,000 | $ 6.44 |
| 12/31/86 | 231,845,000 | 5.18 |
| 8/29/86 | 233,588,000 | 5.23 |
| 8/30/85 | 201,985,000 | 5.14 |
| 8/31/84 | 98,889,000 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***
(000's)

| Year ended Dec. 31 | 1987 | 1986 |
|---|---|---|
| Revenues | $ 506,182 | $ 123,121 |
| Child card serv. exp. | 427,926 | 71,717 |
| Cost of sales | 6,679 | — |
| Expenses | 53,594 | 15,928 |
| Interest expense | 9[illegible],224 | 10,833 |
| Insurance benefits | 5[illegible],869 | 15,149 |
| Other expense | 4[illegible],316 | 5,859 |
| Income before taxes | $ 2[illegible],499 | $ 3,635 |
| Income taxes | [illegible],191 | 2,270 |
| Cum. effect of accntg. change | — | 899 |
| Net Income | $ 26,303 | $ 466 |

* Included in Costs and Expenses, Depreciation and Amortization: $24,578,000 in 1987 and $4,874,000 in 1986.

**Assets**
(000's)

| As of Dec. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 41,549 | $ 40,625 |
| Marketable securities | 68,832 | 119,698 |
| Accts. receiv., net | 333,176 | 349,633 |
| Prepaid expenses | 89,233 | 28,653 |
| Investments | 601,617 | 458,585 |
| Mortg.-backed secur. | 538,851 | 82,815 |
| #Fixed assets | 348,690 | 292,983 |
| Defer. charges | 107,011 | 81,138 |
| Total Assets | $ 2,108,959 | $ 1,454,130 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Accts. payable & accruals | $ 31,271 | $ 24,557 |
| Savings deposits and adv. | 835,519 | 563,149 |
| Secur. sold under repurch. agree. | 212,483 | 1,000 |
| Insurance reserves | 124,621 | 108,615 |
| Deferred credits & other liab. | 64,963 | 53,457 |
| Long-term debt | 540,278 | 471,507 |
| +Common stock | 24,394 | 22,375 |
| Add. paid-in capital | 172,279 | 123,761 |
| Unreal. loses on secur. | (11,671) | (1,632) |
| Retained earnings | 114,822 | 87,341 |
| Total Liabilities & Shareholders' Equity | $ 2,108,959 | $ 1,454,130 |

# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.43 | 2.95 |
| %Net Income to Sales | 5.20 | 0.38 |
| %Net Income to Equity | 8.77 | 0.20 |
| Debt to Equity | 1.80 | 2.03 |
| Shareholders' Equity | $ 299,824,000 | $ 231,845,000 |

## The Kroger Co.

1014 Vine Street
Cincinnati, Ohio 45201
(513) 762-4000

**Officers:** Lyle Everingham, chairman of the board & chief exec. officer; Joseph A. Pichler, president & chief operating officer; David A. Burt, sr. v.p.; George A. Leonard, v.p. & general counsel; Lawrence Turner, v.p. & treasurer; Jack G. Hudson, group v.p.; Donald F. Dufek, sr. v.p.; Lorrence T. Keller, group v.p.; Thomas E. Murphy, group v.p.; William J. Sinkula, sr. v.p. & secretary; Robert J. Hodge, sr. v.p.; Ray E. Dillon, Jr., chairman-Dillon Companies, Inc.; Richard W. Dillon, vice chairman-Dillon Companies, Inc.; David B. Dillon, president & chief exec. officer-Dillon Companies, Inc..

**Directors:** Jackson C. Hinds, Lyle Everingham*, T. Ballard Morton, Jr.*, W. George Pinnell, Ray E. Dillon, Jr., Richard W. Dillon, Joseph A. Pichler*, William D. Atteberry*, John D. Ong, Patricia Shontz Longe, Thomas H. O'Leary, Raymond B. Carey, Jr., Otis M. Smith, John L. Clendenin.

* Member of the Executive Committee

**Business Activities:** Operates a chain of supermarkets in 32 states primarily in the South, Southwest and Midwest; operates a chain of convenience stores in 11 states; also conducts food processing operations.

**Divisions and Subsidiaries:**

Kroger Food Stores
Kroger Manufacturing

all located at:
1014 Vine Street
Cincinnati, Ohio 45201
(513) 762-4000

Dillon Companies, Inc.
Hutchinson, Kansas
Operates convenience stores, supermarkets, and a dairy.

Price Savers Wholesale Warehouse, Inc.
Salt Lake City, Utah
Operates membership warehouse clubs in Utah, Ohio, Washington, California, and Alaska.

Martec Corporation
Operates Loaf 'N Jug convenience stores in Colorado, Oklahoma and New Mexico; also operates Hillside Dairy and Hillside Milk Barns.

Mini-Mart, Inc.
Casper, Wyoming
Operates convenience stores in Wyoming, Montana, Colorado, Nebraska, and North and South Dakota, under the name "Mini-Mart."

**Transfer Agent(s):**

Morgan Shareholder Services Trust Co.
30 West Broadway
New York, New York 10007-2192

**Stock Exchange(s):** New York, Midwest, Pacific

**Ticker Symbol:** KR

**Number of Stores:** (at fiscal year end)

| | Supermarkets | Drug |
|---|---|---|
| 1988 | 1,235 | — |
| 1987 | 1,317 | — |
| 1986 | 1,298 | — |
| 1985 | 1,367 | 872 |
| 1984 | 1,318 | 575 |

| | Convenience |
|---|---|
| 1988 | 958 |
| 1987 | 889 |
| 1986 | 735 |
| 1985 | 643 |
| 1984 | 443 |

**Sales & Earnings**

| | Net Sales + (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 19,053,000 | $ 34,522 |
| 1987 | 17,659,730 | 246,644 |
| 1986* | 17,122,518 | 51,493 |
| 1985 | 15,966,620 | 180,750 |
| 1984 | 15,063,414 | 156,663 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1988 | 80,900,828 | $ 0.24 |
| 1987 | 78,571,917 | 2.99 |
| 1986* | 84,063,921 | 0.55 |
| 1985 | 87,365,672 | 2.05 |
| 1984 | 90,171,566 | 1.74 |

* 53 weeks.
+ Of continuing operations only.
† Adjusted to reflect stock split.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Food stores | $ 16,949,000 | $ 16,048,000 |
| Convenience stores | 698,000 | 598,000 |
| Membership warehouses | 551,000 | 299,000 |
| Other | 855,000 | 715,000 |
| Total | $ 19,053,000 | $ 17,660,000 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.822 | — | — |
| 1987 | 1.050 | — | |
| 1986 | 1.025 | — | 2-for-1 |
| 1985 | 1.000 | — | — |
| 1984 | 1.000 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share † |
|---|---|---|
| 1988 | $ (2,928,509) ‡ | $ — |
| 1987 | 1,008,511 ‡ | 12.84 |
| 1986 | 1,029,771 ‡ | 12.25 |
| 1985 | 1,188,670 | 13.61 |
| 1984 | 1,148,776 | 12.74 |

(Deficiency)
‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 19,053,020 | $ 17,659,730 |
| Cost of sales | 14,823,687 | 13,696,363 |
| Expenses | 3,272,956 | 3,092,225 |
| Rent expense | 258,147 | 236,693 |
| Depreciation & amortization | 253,839 | 222,976 |
| Div. & interest income | (10,453) | (11,048) |
| Interest expense | 208,006 | 106,878 |
| Special charge (credit) | 195,000 | (7,500) |
| Income before taxes | $ 51,838 | $ 323,143 |
| Income taxes | 17,316 | 139,844 |
| Cum. effect of change in accntg method | — | (63,345) |
| Net Income | $ 34,522 | $ 246,644 |

**Assets**
(000's)

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash & cash invest. | $ 211,049 | $ 113,451 |
| Receivables, net | 258,268 | 252,572 |
| *Inventories | 1,275,270 | 1,448,111 |
| Property held for resale | 98,585 | 115,146 |
| Assets held for sale | 184,608 | — |
| Deferred inc. taxes | 37,300 | 40,450 |
| Prepaid and other curr. assets | 204,721 | 185,752 |
| Current Assets | $ 2,469,801 | $ 2,155,482 |
| #Fixed assets | 1,910,474 | 2,136,904 |
| Invest. and other assets | 233,724 | 167,740 |
| Total Assets | $ 4,613,999 | $ 4,460,126 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 334,975 | $ 22,227 |
| Oblig. under cap. leases, curr. | 6,164 | 6,638 |
| Notes payable | 6,010 | 315,159 |
| Accts. payable | 1,095,060 | 1,005,307 |
| Accrual for restruc. | 45,809 | 17,694 |
| Other curr. liabilities | 677,052 | 595,703 |
| Curr. Liabilities | $ 2,165,070 | $ 1,962,728 |
| Long-term debt | 4,532,393 | 757,770 |
| Oblig. under cap leases | 192,068 | 229,000 |
| Deferred inc. taxes | 302,294 | 292,489 |
| Other liabilities | 100,683 | 84,628 |
| +Preferred stock | 250,000 | 125,000 |
| ++Common stock | 100,936 | 423,778 |
| Retained earnings (deficit) | (2,516,592) | 1,094,518 |
| Treasury stock | (512,853) | (509,785) |
| Total Liabilities & Shareholders' Equity | $ 4,613,999 | $ 4,460,126 |

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation.
+ $100 par value; cumulative auction shares.
++ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.27 | 1.83 |
| %Net Income to Sales | 0.18 | 1.40 |
| %Net Income to Equity | — | 21.76 |
| Sales to Inventories | 14.94 | 12.20 |
| Debt to Equity | — | 0.90 |
| Working Capital | $ 304,731,000 | $ 192,754,000 |
| Current Ratio | 1.14 | 1.10 |
| Shareholders' Equity (Deficiency) | $ (2,678,509) | $ 1,133,511 |

## Kyocera Corporation

5-22 Kitainoue-cho, Higashino
Yamashina-ku, Kyoto 607, Japan
(075) 592-3851

**Directors:** Kazuo Inamori, chairman & representative director; Kinju Anjo, president & representative director; Kensuke Itoh, executive v.p. & representative director; Toshinori Inamori, senior managing director; Masaaki Hiwatashi, senior managing director; Shoichi Hamamoto, senior managing director; Yoshiteru Hamano, senior managing director; Yoshizo Yasuda, senior managing director; Katsumi Nishimura, senior managing director; Tsutomu Kinoshita, director; Masao Kadota, managing director; Koichi Nakamura, managing director; Kenjiro Kimura, managing director; Shunji Nosaka, managing director; Masao Hori, managing director; Toshihiko Teshirogi, director; Taiichi Akiyama, director; Stuart Lubitz, director; Yoshinobu Kanda, director; Ryuzbo Nagai, director; Michihisa Yamamoto, director; Yasuo Nishiguchi, director; Kiyohide Shirai, director; Tetsu Ohira, director; Tsutomu Kinoshita, director; Naoyuki Morita, director; Minoru Fujiyoshi, director; Shizuo Koyama, director; Yuzo Yamamura, director; Kaichiro Odagawa, director.

**Business Activities:** Operates retail jewelry stores in Japan. These stores feature the Company's Crescent Vert jewelry.

Activities other than retail include the manufacture and sale of products in three major segments: ceramic and related products for the electronics and other industries; electronic equipment consisting of communications, audio and business equipment; and optical and precision instruments consisting of cameras and camera lenses.

**Subsidiaries and Affiliates (Japan):**

Kyocera Electronic Equipment Co., Ltd.
Shibuya-ku, Tokyo

Tomioka Optical Co., Ltd.
Taito Corporation (22.5% interest)

Daini-Denden Inc. (25% interest)
Chiyoda-ku, Tokyo

Japan New-media System Co., Ltd. (50%-owned)
Setagaya-ku, Tokyo

**Subsidiaries and Affiliates (non-Japan):**

Kyocera International, Inc.
8611 Balboa Avenue
San Diego, California 92123
(619) 576-2600

Kyocera America, Inc.
San Diego, California

Kyocera Electronics, Inc.
Somerset, New Jersey

Kyocera Northwest, Inc.
Vancouver, Washington

Kyocera Unison, Inc. (81.36%-owned)
Berkeley, California

Kyocera Feldmuhle, Inc. (52.5%-owned)
Mountain Home, North Carolina

Yashica, Inc.
Somerset, New Jersey

Kinamed, Inc.
U.S.A.

Kyocera Canada, Inc.
Mississauga, Ontario, Canada

Yashica do Brasil-Industria e Comercio Ltda.
Sao Paulo, Brazil

Yashica do Brasil-Exportacao e Industria Ltda.
Sao Paulo, Brazil

Feldmuhle Kyocera Europe

Elektronische Bauelemente GmbH
Esslingen-Zell, Federal Republic of Germany

Yashica Kyocera GmbH
Hamburg, Federal Republic of Germany

Kyocera Electronics Europe GmbH
Dusseldorf, Federal Republic of Germany

Kyocera (Hong Kong) Ltd.
East Kowloon, Hong Kong

Universal Optical Industries Ltd.
Kowloon, Hong Kong

**Transfer Agent(s):**

Osaka Shoken Daiko Co., Ltd.
4-6 Kitahama 2-chome
Chuoh-ku
Osaka 541, Japan

## Kyocera Corporation

**ADR Depositary:**

Citibank, N.A.
111 Wall Street
New York, New York 10043

**Stock Exchange(s):** Tokyo, Osaka, Kyoto, New York*

**Ticker Symbol:** KYO (New York)* * Trades as an American Depositary Receipt (ADR).

### Sales & Earnings

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1989 | ¥ 338,704,000 | ¥ 29,654,000 |
| 1988 | 300,409,000 | 22,677,000 |
| 1987 | 276,192,000 | 17,465,000 |
| 1986 | 279,103,000 | 18,385,000 |
| 1985 | 325,719,000 | 38,072,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 163,599,000 | ¥ 183.04 |
| 1988 | 163,599,000 | 140.56 |
| 1987 | 150,000,000 | 116.43 |
| 1986 | 150,000,000 | 122.57 |
| 1985 | 150,000,000 | 253.81 |

¥ - Yen
‡ Adjusted to reflect stock split.

### Revenues by Line of Business (millions)

| | 1989 | 1988 |
|---|---|---|
| Ceramic & related prods. | ¥ 234,605 | ¥ 211,465 |
| Electronic equipment | 69,594 | 52,075 |
| Optical & precision instruments | 34,505 | 36,869 |
| Total | ¥ 338,704 | ¥ 300,409 |

### Common Stock

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | ¥44.00 | — | — |
| 1988 | 44.00 | — | — |
| 1987 | 44.00 | — | — |
| 1986 | 44.00 | — | — |
| 1985 | 44.00 | — | 3-for-2 |

+ Adjusted to reflect stock split.

### Common Stock Equity

| | Total Equity (000's) | Equity Per Share ‡ |
|---|---|---|
| 1989 | ¥ 364,320,000 | ¥2,226.91 |
| 1988 | 330,359,000 | 2,019.32 |
| 1987 | 299,886,000 | 1,999.24 |
| 1986 | 291,880,000 | 1,945.87 |
| 1985 | 286,516,000 | 1,910.11 |

‡ Adjusted to reflect stock split.

### Income Account * (millions)

| Year ended Mar. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | ¥ 338,704 | ¥ 300,409 |
| Cost of sales | 228,695 | 206,337 |
| Expenses | 55,732 | 52,509 |
| Interest expense | 1,624 | 1,339 |
| Interest income | (10,853) | (11,094) |
| For. curr. trans. loss | 2,142 | 2,441 |
| Other expense (income) | 127 | (1,492) |
| Income before taxes | ¥ 61,237 | ¥ 50,369 |
| Income taxes | 31,583 | 27,692 |
| Net Income | ¥ 29,654 | ¥ 22,677 |

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 16,436,000,000 in 1989 and ¥ 14,918,000,000 in 1988.

### Assets (millions)

| As of Mar. 31 | 1989 | 1988 |
|---|---|---|
| Cash & demand deposits | ¥ 5,425 | ¥ 4,298 |
| Time deposits | 221,793 | 142,600 |
| Short-term comm. notes | 10,535 | 16,387 |
| Short-term invest. | 3,000 | 35,267 |
| Marketable securities | 4,426 | 4,351 |
| Accts. receiv., net | 82,192 | 82,018 |
| *Inventories | 49,499 | 47,295 |
| Deferred inc. taxes | 9,255 | 8,177 |
| Current Assets | ¥ 386,125 | ¥ 340,391 |
| Investments & advances | 38,304 | 21,785 |
| #Fixed assets | 75,409 | 69,623 |
| Other assets | 21,639 | 18,936 |
| Total Assets | ¥ 521,477 | ¥ 450,735 |

### Liabilities (millions)

| | | |
|---|---|---|
| Long-term debt, curr. | ¥ 1,886 | ¥ 1,085 |
| Notes & accts. payable | 39,928 | 37,492 |
| Accrued payroll | 9,054 | 7,877 |
| Accrued inc. taxes | 18,753 | 18,800 |
| Other accruals | 4,864 | 4,196 |
| Other current liabilities | 2,506 | 1,531 |
| Curr. Liabilities | ¥ 76,991 | ¥ 70,981 |
| Long-term debt | 73,668 | 43,227 |
| Other liabilities | 6,109 | 5,749 |
| Minority interest | 389 | 419 |
| +Common stock | 43,979 | 42,663 |
| Add. paid-in capital | 115,322 | 107,523 |
| Legal reserve | 6,471 | 3,794 |
| Retained earnings for special allow. | 2,878 | 2,274 |
| Retained earnings | 207,435 | 185,835 |
| For. curr. trans. adjust. | (10,765) | (11,730) |
| Total Liabilities & Shareholders' Equity | ¥ 521,477 | ¥ 450,735 |

* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 18.08 | 16.77 |
| %Net Income to Sales | 8.76 | 9.22 |
| %Net Income to Equity | 8.14 | 8.38 |
| Sales to Inventories | 6.84 | 6.35 |
| Debt to Equity | 0.21 | 0.13 |
| Working Capital (000's) | ¥ 309,134,000 | ¥ 269,410,000 |
| Current Ratio | 5.02 | 4.80 |
| Shareholders' Equity (000's) | ¥ 364,320,000 | ¥ 330,359,000 |

## The Limited, Inc.

Two Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
(614) 479-4000

**Officers:** Leslie H. Wexner, chairman of the board; Kenneth B. Gilman, exec. v.p. & chief financial officer; Thomas G. Hopkins, exec. v.p.-organizational development; William K. Gerber, v.p. & controller; Timothy B. Lyons, v.p.-taxes; Alfred S. Dietzel, v.p.-financial and public relations; Margaret T. Monaco, v.p. & treasurer; Wade H. Buff, v.p.-internal audit; Bella Wexner, secretary.

**Directors:** , Leslie H. Wexner, chairman; Bella Wexner, Claudine Malone, David T. Kollat, John K. Pfahl, Donald B. Shackelford, John W. Kessler, Martin Trust, W. Arthur Cullman, Raymond Zimmerman, Allan R. Tessler.

**Business Activities:** Engaged in the sale of a wide range of medium-priced women's fashion apparel to the 20 to 40 age group. The Company also operates 418 Limited Express stores designed to appeal to younger women, 15 to 25 years of age. Merchandise is chosen to provide a coordinated mix of sportswear, dresses, coats and intimate apparel for the fashion-oriented customer. Through its Mast Industries, Inc. subsidiary, the Company also manufactures and distributes moderate-priced apparel appealing to the fashion-conscious consumer.

**Subsidiaries:**

Limited Stores
Operates 754 women's retail clothing stores.

Lane Bryant, Inc.
Operates 687 retail clothing stores, plus a mail order division.

Victoria's Street
Operates 328 stores specializing in intimate apparel, plus a mail order division.

Lerner Woman/Sizes Unlimited
Off-priced retail chains of 384 stores selling special size apparel.

Limited Express, Inc.
Operates 418 stores offering popular-priced sportswear and accessories for women 15 to 25 years of age.

Brylane, Inc.
Catalog retailer of women's special-size apparel and shoes.

Mast Industries, Inc.
Manufacture and distribution of women's apparel.

Limited Credit Corp.
Limited Credit Funding
Finance subsidiaries.

Lerner Stores Corporation
Operates 784 women's retail apparel stores.

Henri Bendel
New York, New York
Women's specialty apparel store.

Limited Store Planning
Limited Real Estate
Limited Distribution Services

Abercrombie & Fitch
Operates 25 retail stores and a catalogue/mail order business, offering moderate to better-priced outdoor-oriented sportswear for men and women and related specialty non-apparel merchandise.

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

**Stock Exchange(s):** New York, London, Tokyo

**Ticker Symbol:** LTD (New York)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 3,381 | 1985 | 2,353 |
| 1987 | 3,095 | 1984 | 1,412 |
| 1986 | 2,682 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 4,070,777,000 | $ 245,136,000 |
| 1987 | 3,527,941,000 | 235,188,000 |
| 1986 | 3,142,696,000 | 227,780,000 |
| 1985 | 2,387,110,000 | 145,317,000 |
| 1984* | 1,343,134,000 | 92,495,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 180,093,000 | $ 1.36 |
| 1987 | 188,313,000 | 1.25 |
| 1986 | 188,430,000 | 1.21 |
| 1985 | 182,819,000 | 0.80 |
| 1984* | 180,631,000 | 0.51 |

* 53 weeks.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.24 | — | — |
| 1987 | 0.24 | — | |
| 1986 | 0.16 | — | 3-for-2 |
| 1985 | 0.107 | — | 2-for-1 |
| 1984 | 0.08 | — | 2-for-1 |

‡ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 946,207,000 | $ 5.28 |
| 1987 | 729,171,000 | 4.08 |
| 1986 | 781,542,000 | 4.14 |
| 1985 | 404,075,000 | 2.25 |
| 1984 | 275,403,000 | 1.54 |

‡ Adjusted to reflect stock splits.

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 4,070,777,000 | $ 3,527,941,000 |
| Cost of sales | 2,856,074,000 | 2,535,166,000 |
| Expenses | 747,285,000 | 583,903,000 |
| Interest expense | 63,418,000 | 40,322,000 |
| Other expense (income) | 7,864,000 | (9,638,000) |
| Income before taxes | $ 396,136,000 | $ 378,188,000 |
| Income taxes | 151,000,000 | 143,000,000 |
| Net Income | $ 245,136,000 | $ 235,188,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $142,469,000 in 1988 and $109,353,000 in 1987.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equiv. | $ 15,276,000 | $ 47,953,000 |
| Accts. receiv., net | 531,461,000 | 514,101,000 |
| *Inventories | 407,006,000 | 353,693,000 |
| Prepaid expenses | 69,851,000 | 47,906,000 |
| Current Assets | $ 1,023,594,000 | $ 963,653,000 |
| #Fixed assets | 1,066,646,000 | 889,155,000 |
| Other assets | 55,266,000 | 76,669,000 |
| Total Assets | $ 2,145,506,000 | $ 1,929,477,000 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 189,184,000 | $ 153,528,000 |
| Accruals | 189,579,000 | 131,602,000 |
| Income taxes | 77,192,000 | 48,740,000 |
| Curr. Liabilities | $ 455,955,000 | $ 333,870,000 |
| Long-term debt | 517,952,000 | 681,000,000 |
| Deferred inc. taxes | 198,893,000 | 174,209,000 |
| Other long-term liab. | 26,499,000 | 11,227,000 |
| +Common stock | 94,863,000 | 94,837,000 |
| Add. paid-in capital | 203,693,000 | 205,328,000 |
| Retained earnings | 879,386,000 | 677,232,000 |
| Unreal. loss on market. eq. secur. | — | (8,219,000) |
| Treasury stock | (231,735,000) | (240,007,000) |
| Total Liabilities & Shareholders' equity | $ 2,145,506,000 | $ 1,929,477,000 |

* At lower of average cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 9.73 | 10.72 |
| %Net Income to Sales | 6.02 | 6.67 |
| %Net Income to Equity | 25.91 | 32.25 |
| Sales to Inventories | 10.00 | 9.97 |
| Debt to Equity | 0.55 | 0.47 |
| Working Capital | $ 567,639,000 | $ 629,783,000 |
| Current Ratio | 2.24 | 2.89 |
| Shareholders' Equity | $ 946,207,000 | $ 729,171,000 |

## The Lionel Corporation

275 Madison Avenue
42nd Floor
New York, New York 10016
(212) 818-0630

**Officers:** Michael J. Vastola, chairman of the board, president, chief executive & financial officer; Marvin J. Katz, sr. v.p., & exec. v.p. & chief operating officer-Lionel Leisure; George A. Padgett, sr. v.p., secretary and general counsel; Thomas H. Fiedler, sr. v.p.-stores, Lionel Leisure; Martin S. Wainfan, sr. v.p.-real estate, Lionel Leisure; Robert M. Goldstein, v.p.-merchandising, Lionel Leisure; Mark E. Lewis, v.p.-finance, Lionel Leisure; Robert F. Amweg, treasurer, & assistant secretary-Lionel Leisure; Gerald D. Scott, v.p.-management information systems, Lionel Leisure; Joel H. Weiner, v.p.-advertising & sales promotion, Lionel Leisure; Louis P. Mongeluzzi, v.p. & assistant secretary; Louis Ciardulli, asst. controller; Michael E. Ables, regional v.p.-capital, Lionel Leisure; Kenneth B. Coleman, regional v.p.-Atlanta, Lionel Leisure; Bert H. Lange, regional v.p.-Northeast/Metro, Lionel Leisure; Robert H. Seroka, regional v.p.-Florida, Lionel Leisure; Howard A. Wiard, regional v.p.-Midwest, Lionel Leisure; James A. Smith, controller, Lionel Leisure.

**Directors:** Michael J. Vastola, chairman; Comer S. Coppie, William M. Kallop, Marvin J. Katz, George A. Padgett, Robert F. Raisbeck, Philomena D. Warihay, Donald J. Feerick, Roland D. Burkhart.

**Subsidiaries:**

Lionel Leisure, Inc.
2951 Grant Avenue
Philadelphia, Pennsylvania 19114
(215) 671-3800

Operates a chain of 84 toy supermarkets in 15 states under the names Lionel Kiddie City, Lionel Playworld, and Lionel Toy Warehouse. Major product lines include toys, games, hobbies, wheelgoods, juvenile furniture, playground equipment, pools, sporting goods, and camping equipment.

**Transfer Agent(s):**

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** American, Pacific

**Ticker Symbol:** LIO

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 84 | 1985 | 56 |
| 1987 | 78 | 1984 | 52 |
| 1986 | 65 | | |

**Sales & Earnings**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 408,919,989 | $ 3,994,509 |
| 1987 | 340,838,846 | 5,776,911 |
| 1986 | 282,666,962 | 8,664,436 |
| 1985 | 246,075,840 | 39,587,614 |
| 1984 | 225,038,012 | 20,703,338 |

| | No. of Com. Shares # | Earn. per Share #‡ |
|---|---|---|
| 1988 | 13,497,721 | $ 0.30 |
| 1987 | 13,482,729 | 0.43 |
| 1986 | 13,429,363 | 0.65 |
| 1985 | 8,403,562 | 4.74 |
| 1984 | 7,104,956 | 2.91 |

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $386,391 ($0.03 per share) in 1988, $20,294,237 ($2.41 per share) in 1985, and $10,117,700 ($1.42 per share) in 1984.
# Based on the average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 85,966,063 | $ 6.37 |
| 1987 | 81,970,378 | 6.08 |
| 1986 | 75,986,757 | 5.66 |
| 1985 | 66,765,206 | 7.94 |
| 1984 | (5,069,506) | — |

(Deficiency)
‡ Based on the average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 408,919,989 | $ 340,838,846 |
| Cost of sales | 292,577,123 | 242,188,717 |
| Expenses | 98,819,009 | 83,584,198 |
| Depreciation & amortization | 7,319,279 | 5,805,307 |
| Interest expense | 7,789,902 | 5,197,614 |
| Other income | (3,051,833) | (2,722,001) |
| Inc. before taxes | $ 5,466,509 | $ 6,785,011 |
| Income taxes | 1,472,000 | 2,946,307 |
| Net Income | $ 3,994,509 | $ 3,838,704 |
| Extraord. gain | — | 386,391 |
| Cum. effect of accntg. change | — | 1,551,816 |
| Net Income & extraord. gain | $ 3,994,509 | $ 5,776,911 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equiv. | $ 33,890,811 | $ 51,093,429 |
| Receivables, net | 4,868,857 | 1,822,675 |
| *Inventories | 129,835,507 | 100,426,018 |
| Prepaid expenses | 5,174,655 | 3,753,218 |
| Current Assets | $ 173,769,830 | $ 157,095,340 |
| #Fixed assets | 54,298,760 | 48,532,589 |
| Other assets | 3,779,858 | 5,421,255 |
| Total Assets | $ 231,848,448 | $ 211,049,184 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 373,625 | $ 227,872 |
| Accts. payable | 48,752,578 | 36,952,990 |
| Accruals | 16,512,616 | 15,071,199 |
| Accrued taxes | 4,443,255 | 4,100,419 |
| Curr. Liabilities | $ 70,082,074 | $ 56,352,480 |

| | | |
|---|---|---|
| Long-term debt | 69,805,015 | 67,990,726 |
| Deferred credit | 2,407,296 | 2,738,600 |
| Deferred inc. taxes | 3,588,000 | 1,997,000 |
| +Common stock | 1,366,950 | 1,366,940 |
| Add. paid-in capital | 62,840,869 | 62,839,703 |
| Retained earnings | 22,279,307 | 18,284,798 |
| Treasury stock | (521,063) | (521,063) |
| Total Liabilities & Shareholders' Equity | $ 231,848,448 | $ 211,049,184 |

° At lower of cost (retail method) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.34 | 2.82 |
| %Net Income to Sales | 0.98 | 1.59 |
| %Net Income to Equity | 4.65 | 4.68 |
| Sales to Inventories | 3.15 | 2.40 |
| Debt to Equity | 0.82 | 0.83 |
| Working Capital | $ 103,687,756 | $ 100,742,860 |
| Current Ratio | 2.48 | 2.79 |
| Shareholders' Equity | $ 85,966,063 | $ 81,970,378 |

## Liz Claiborne, Inc.

1441 Broadway
New York, New York 10018
(212) 354-4900

**Officers:** Elisabeth Claiborne Ortenberg, chairman of the board, president and chief exec. officer; Arthur Ortenberg, vice chairman of the board and secretary; Jerome A. Chazen, vice chairman of the board; Harvey L. Falk, exec. v.p.-operations & corp. planning; Jay Margolis, exec. v.p.-Women's Sportswear Group, president; Samuel M. Miller, sr. v.p.-finance; Jack Listanowsky, sr. v.p.-operations; Larry McDonald, sr. v.p.-corp. textile engineering; Hank Sinkel, sr. v.p.-sportswear, sales; Robert Bernard, sr. v.p.-corp. sales & marketing; Kenneth Ganz, sr. v.p.-corp. distribution; Alois J. Lohn, sr. v.p.-manufacturing; Ellen Daniel, sr. v.p.-Collection Division, div. head; Jo Miller, sr. v.p.-Retail Division, First Issue, co-president; Allen McNeary, sr. v.p.-Dress Division, president; Matthew D. Langweber, sr. v.p.-Retail Division, president; Robert H. Abajian, sr. v.p.-women's sportswear, design; Kathryn D. Connors, v.p.-human resources; Walter L. Krieger, v.p.-financial operations; Jeffrey H. Shendell, v.p.-allocations and sales support; Robert P. McKean, treasurer; Claudia Wong, v.p.-corp. Far East operations; Roberta Schuhalter Karp, v.p.-corp. counsel; Elaine H. Goodell, controller.

**Directors:** Arthur Ortenberg, Jerome A. Chazen, Elisabeth Claiborne Ortenberg, Harvey L. Falk, Leonard Boxer, J. James Gordon, Sherwin Kamin, Jay Margolis.

**Business Activities:** Design, contracts for the manufacture of, and markets an extensive range of women's apparel and accessories as well as men's sportswear. Also operates 13 retail clothing stores, primarily featuring the Company's sportswear, under the name First Issue; and markets fragrances and related products under the Liz Claiborne name.

**Trademarks and/or Brand Names:** Liz Claiborne, Lizwear, Liz, Claiborne, Lizsport, Dana Buchman, First Issue.

**Divisions and Subsidiaries:**

Collection Division
Sophisticated style of sportswear geared primarily for the career women's working needs.

Lizzport Division
Sportswear collections geared primarily for the home and the more casual working environment.

Lizwear Division
Casual style of sportswear geared primarily for weekend dressing needs.

Dress Division
A wide variety of dresses, including a knitwear collection in both the "Missy" and petite size ranges.

Claiborne (Menswear) Division
Men's sportswear.

Kayser-Roth Corporation
Manufactures and markets handbags, belts, scarves and other related accessories.

Liz Claiborne Cosmetics
Markets fragrances and related products under the Liz Claiborne name.

**Transfer Agent(s):**

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** LIZC (NASDAQ)

**Number of Stores:**

1989 ..... 13 1988 ..... 6

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988° | $ 1,184,229,000 | $ 110,341,000 |
| 1987 | 1,053,324,000 | 114,414,000 |
| 1986 | 813,497,000 | 86,194,000 |
| 1985 | 556,553,000 | 60,580,000 |
| 1984 | 391,272,000 | 147,517,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988° | 87,484,695 | $ 1.26 |
| 1987 | 86,933,364 | 1.32 |
| 1986 | 86,270,552 | 1.00 |
| 1985 | 85,395,824 | 0.71 |
| 1984 | 84,577,140 | 0.50 |

° 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.18 | — | — |
| 1987 | 0.16 | — | — |
| 1986 | 0.12 | — | — |
| 1985 | 0.08 | 100% ‡ | — |
| 1984 | 0.05 | 100% | — |

+ Adjusted to reflect stock dividends and stock split.
‡ Declared Feb. 25, 1986.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 457,826,000 | $ 5.23 |
| 1987 | 356,956,000 | 4.11 |
| 1986 | 247,787,000 | 2.87 |
| 1985 | 162,729,000 | 1.91 |
| 1984 | 104,417,000 | 1.23 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

**Income Account °**
**(000's)**

| Year ended | 12/31/88 (53 weeks) | 12/26/87 |
|---|---|---|
| Net sales | $ 1,184,229 | $ 1,053,324 |
| Cost of sales | 758,285 | 655,569 |
| Expenses | 255,460 | 194,686 |
| Interest expense | 1,334 | 670 |
| Interest income | (13,191) | (5,626) |
| Income before taxes | $ 182,341 | $ 208,025 |
| Income taxes | 72,000 | 93,611 |
| Net Income | $ 110,341 | $ 114,414 |

° Included in Costs and Expenses, Depreciation and Amortization: $12,548,000 in 1988 and $5,880,000 in 1987.

**Assets**
**(000's)**

| As of | 12/31/88 | 12/26/87 |
|---|---|---|
| Cash & cash equiv. | $ 117,511 | $ 107,317 |
| Short-term invest. | 160,810 | 53,149 |
| Accts. receiv., net | 68,674 | 80,591 |
| °Inventories | 167,982 | 156,375 |
| Deferred inc. tax benefits | 8,736 | 6,563 |
| Other curr. assets | 25,362 | 19,994 |
| Current Assets | $ 549,075 | $ 423,989 |
| #Fixed assets | 77,732 | 53,140 |
| Other assets | 2,275 | 5,240 |
| Total Assets | $ 629,082 | $ 482,369 |

**Liabilities**
**(000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 357 | $ 357 |
| Accts. payable | 71,377 | 53,044 |
| Accruals | 63,162 | 43,374 |
| Income taxes | 12,110 | 6,412 |
| Curr. Liabilities | $ 147,006 | $ 103,187 |
| Long-term debt | 14,107 | 14,464 |
| Deferred inc. taxes | 10,143 | 7,762 |
| +Common stock | 87,768 | 87,136 |
| Add. paid-in capital | 35,099 | 29,889 |
| Retained earnings | 334,959 | 239,931 |
| Total Liabilities & Shareholders' Equity | $ 629,082 | $ 482,369 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income before taxes to Sales | 15.40 | 19.75 |
| %Net Income to Sales | 9.32 | 10.86 |
| %Net Income to Equity | 24.10 | 32.05 |
| Sales to Inventories | 7.05 | 6.74 |
| Debt to Equity | 0.03 | 0.04 |
| Working Capital | $ 402,069,000 | $ 320,802,000 |
| Current Ratio | 3.74 | 4.11 |
| Shareholders' Equity | $ 457,826,000 | $ 356,956,000 |

## Loblaw Companies Limited

(77%-owned by George Weston Limited)

22 St. Clair Avenue East
Toronto, Ontario M4T 2S8, Canada
(416) 922-2500

**Officers:** W. Galen Weston, chairman of the board; Richard J. Currie, president; Raymond J. Addington, exec. v.p.; David A. Nichol, exec. v.p.; David M. Williams, exec. v.p.; Brian Y. Davidson, exec. v.p.; David Bragg, sr. v.p.-planning & control; James H. Farrell, v.p., general counsel & secretary; John N. McCullough, v.p. & asst. gen. counsel; John W. Thompson, sr. v.p.-finance & administration; Donald G. Reid, v.p. & treasurer; Dorothy M. Leamen, asst. secretary; Stewart E. Green, asst. secretary; Stephen A. Smith, v.p. & controller; Richard P. Mavrinac, v.p.-taxation; Andrew W. Smith, v.p.-labour relations; Louise M. Lacchin, asst. treasurer; Glenn D. Leroux, asst. v.p.-risk mgmt.; Geoffrey H. Wilson, asst. v.p.-systems & internal control.

**Directors:** W. Galen Weston, chairman; Richard J. Currie, Charles M. Humphrys, Robert H. Kidd, Roger A. Lindsay, Arthur H. Mingay, David A. Nichol, Shirley E. Robertson.

**Business Activities:** A Canadian holding company controlling major interests in food retailing and wholesaling in Canada and the United States. In addition to its food-related operations, Loblaw, through its subsidiaries, also participates in the Canadian general merchandise industries.

**Divisions and Subsidiaries:**

National Tea Company
Rosemont, Illinois
Operates supermarkets in the central United States.

Peter J. Schmitt Co., Inc.
Buffalo, New York
Wholesale and retail food distribution in the United States.

Loblaws Supermarkets Limited
Toronto, Ontario, Canada
Operates food stores in Ontario, Canada, under the Loblaws and Ziggys names.

Zehrmart Limited
Cambridge, Ontario, Canada

Zehr's Markets Division
Cambridge, Ontario, Canada
Operates retail supermarkets under the Zehr's and Gordon names in southwestern and north central Ontario.

National Grocers Company, Limited
Toronto, Ontario, Canada
A wholesale organization supplying retail food stores and institutions throughout Ontario and Quebec.

Atlantic Wholesalers Limited
Sackville, New Brunswick, Canada
Wholesaler of groceries, meat and produce in the Maritime provinces.

Kelly, Douglas & Company, Limited (85% owned)
Vancouver, British Columbia, Canada
Engaged primarily in the wholesale and retail distribution of food and drug products, and also in extensive food manufacturing, catering, restaurant supply and dairy operations, operating mainly in western Canada and the prairies.

Central Canada Grocers, Inc.
Toronto, Ontario, Canada

Combined Merchandisers, Inc.
Toronto, Ontario, Canada

Westfair Foods Ltd.
Winnipeg, Manitoba, Canada

Loblaw International Merchants
Toronto, Ontario, Canada

Intersave Buying & Merchandising Services
Toronto, Ontario, Canada

Capitol Stores Ltd.
Halifax, Nova Scotia, Canada
Operates a chain of six food stores.

Hickman, Coward and Wattles, Inc.
Buffalo, New York
Wholesale food operations.

Kotok & Helms Corporation
Buffalo, New York
Wholesale food operations.

**Transfer Agent(s):**

National Trust Company
Toronto, Montreal, Calgary, Winnipeg, Regina, Halifax & Vancouver, Canada

**Stock Exchange(s):** Toronto, Montreal, Vancouver

**Ticker Symbol:** LA(Class A); LA(Class B)

**Number of Stores** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 311 | 1985 | 363 |
| 1987 | 361 | 1984 | 381 |
| 1986 | [illegible] | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1988 | $ 8,307,600 | $ 26,200 |
| 1987 | 8,630,700 | 73,600 |
| 1986* | 7,838,900 | 73,700 |
| 1985 | 6,931,100 | 67,100 |
| 1984 | 6,419,400 | 64,200 |

| | No. of Com. Shares + | Earn. per Share ‡ + |
|---|---|---|
| 1988 | 72,111,000 | $ 0.21 |
| 1987 | 72,427,009 | 0.87 |
| 1986* | 71,390,384 | 0.91 |
| 1985 | 71,305,892 | 0.85 |
| 1984 | 71,003,716 | 0.81 |

* 53 weeks.
‡ Including extraordinary gain of $3,100,000 ($0.05 per share) in 1984 and extraordinary loss of $14,600,000 ($0.20 per share) in 1988.
+ Adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.20 | — | — |
| 1987 | 0.20 | — | — |
| 1986 | 0.18 | — | 2-for-1 |
| 1985 | 0.16 | — | — |
| 1984 | 0.14 | — | — |

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share † |
|---|---|---|
| 1988 | $ 474,300,000 | $ 6.62 |
| 1987 | 512,500,000 | 7.12 |
| 1986 | 473,600,000 | 6.68 |
| 1985 | 413,500,000 | 5.85 |
| 1984 | 357,400,000 | 5.09 |

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 8,307,600 | $ 8,630,700 |
| Cost of sales & exp. | 8,049,800 | 8,340,900 |
| Depreciation | 97,600 | 100,100 |
| Interest expense | 74,200 | 64,100 |
| Unusual item | 21,500 | — |
| Income before taxes | $ 64,500 | $ 125,600 |
| Income taxes | 19,400 | 48,400 |
| Minority interest | 4,300 | 3,600 |
| Net Income | $ 40,800 | $ 73,600 |
| Extraord. loss | (14,600) | — |
| Net Income & extraord. loss | $ 26,200 | $ 73,600 |

**Assets**
(000's)

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash & invest. | $ 23,500 | $ 30,100 |
| Accts. receiv., net | 168,600 | 251,500 |
| *Inventories | 555,000 | 658,000 |
| Prepaid expenses | 18,100 | 43,600 |
| Current Assets | $ 765,200 | $ 983,200 |
| Investments | 117,500 | 143,600 |
| #Fixed assets | 977,500 | 986,600 |
| #Prop. under cap. leases | 74,900 | 70,700 |
| Defer. charges & intangibles | 68,800 | 29,400 |
| Total Assets | $ 2,003,900 | $ 2,213,500 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank advances & notes payable | $ 63,400 | $ 98,800 |
| Long-term debt, curr. | 1,900 | 4,800 |
| Cap. lease oblig. | 2,800 | 4,000 |
| Accounts payable & accruals | 603,200 | 698,700 |
| Taxes payable | 13,000 | 36,500 |
| Curr. Liabilities | $ 684,300 | $ 842,800 |
| Long-term debt | 463,600 | 487,200 |
| Cap. lease oblig. | 91,100 | 91,500 |
| Other liabilities | 34,900 | 18,300 |
| Deferred inc. taxes | 37,200 | 45,000 |
| Minority interest | 41,700 | 38,400 |
| +First pref stock: | | |
| First series | 22,000 | 22,000 |
| Second series | 10,800 | 11,100 |
| +Second pref. stock: | | |
| First series | 30,000 | 30,000 |
| Second series | 25,000 | 25,000 |
| Third series | 75,000 | 75,000 |
| +Junior pref. stock: | | |
| First series | 500 | 600 |
| Second series | 100 | 200 |
| Third series | 700 | 700 |
| Fourth series | 700 | 800 |
| +Common stock | 108,200 | 108,100 |
| Add. paid-in capital | 9,000 | 9,200 |
| Retained earnings | 390,400 | 395,700 |
| Curr. trans. adj. | 21,300 | 11,900 |
| Total Liabilities & Shareholders' Equity | $ 2,003,900 | $ 2,213,500 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.07 | 1.46 |
| %Net Income to Sales | 0.68 | 0.85 |
| %Net Income to Equity | 6.27 | 10.66 |
| Sales to Inventories | 10.89 | 13.12 |
| Debt to Equity | 0.96 | 0.99 |
| Working Capital | $ 80,900,000 | $ 140,400,000 |
| Current Ratio | 1.12 | 1.17 |
| Shareholders' Equity | $ 651,100,000 | $ 690,300,000 |

## Longs Drug Stores, Inc.

141 North Civic Drive
P.O. Box 5222
Walnut Creek, California 94596
(415) 937-1170

**Officers:** J. M. Long, chairman of the board; R. M. Long, president & chief exec. officer; S. D. Roath, exec. v.p.; R. A. Plomgren, sr. v.p.-development; B. M. Brandon, sr. v.p.; D. R. Wilson, sr. v.p.-marketing; G. A. Ducy, sr. v.p.; A. A. Arrigoni, v.p.-construction; T. R. Sweeney, vice president; J. G. Daleth, vice president; D. J. Fong, v.p.-pharmacy; S. Petrucelli, vice president; K. J. Westover, v.p.-training; R. W. Wilson, vice president; D. D. England, vice president; V. H. Howe, vice president; M. Baird, vice president; W. G. Combs, v.p.-administration & treasurer; O. D. Jones, sr. v.p.-properties & secretary; L. C. Anderson, v.p.-personnel; Grover White, v.p. & controller.

**Directors:** J. M. Long, chairman; T. J. Long, N. C. Adams, R. M. Long, I. W. Rowland, Samuel B. Stewart, Ronald A. Plomgren, D. E. McHenry, T. R. Sweeney, S. D. Roath, W. G. Combs, E. E. Johnston, R. M. Brooks.

**Business Activities:** Operates a chain of 236 drug stores located in California, Hawaii, Alaska, Navada, Arizona and Colorado. Of these stores, 200 are located in California.

**Transfer Agent(s):**

Bank of America N.T. & S.A.
San Francisco, California 94120

**Stock Exchange(s):** New York

**Ticker Symbol:** LDG

## Longs Drug Stores, Inc.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 236 | 1986 | 208 |
| 1988 | 229 | 1985 | 191 |
| 1987 | 222 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 1,925,451,000 | $ 55,858,000 |
| 1988 | 1,772,460,000 | 49,218,000 |
| 1987 | 1,635,642,000 | 38,594,000 |
| 1986 | 1,480,830,000 | 37,718,000 |
| 1985 | 1,375,769,000 | 40,094,000 |

| | No. of Com. Shares # | Earn. per Share ‡ |
|---|---|---|
| 1989 | 19,993,000 | $ 2.75 |
| 1988 | 20,545,000 | 2.33 |
| 1987 | 21,142,000 | 1.78 |
| 1986 | 21,741,000 | 1.74 |
| 1985 | 21,335,000 | 1.88 |

# Adjusted to reflect stock split.
‡ Based on the weighted average number of common stock and common stock B shares outstanding adjusted to reflect stock split.

**...n Stock**

| | ...ad‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | .86 | — | — |
| 1988 | .79 | — | |
| 1987 | 0.75 | — | — |
| 1986 | 0.70 | — | — |
| 1985 | 0.62 | — | 2-for-1 |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 309,077,000 | $ 15.42 |
| 1988 | 299,809,000 | 14.37 |
| 1987 | 290,444,000 | 13.74 |
| 1986 | 289,838,000 | 13.33 |
| 1985 | 260,907,000 | 12.23 |

‡ Adjusted to reflect stock split.

**Income Account***
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 1,925,451 | $ 1,772,460 |
| Cost of sales | 1,445,923 | 1,333,195 |
| Expenses | 315,350 | 284,117 |
| Occupancy | 71,520 | 66,830 |
| Income before taxes | $ 92,658 | $ 88,318 |
| Income taxes | 36,800 | 39,100 |
| Net income | $ 55,858 | $ 49,218 |

* Included in Costs and Expenses, Depreciation: $16,225,000 in 1988 and $14,273,000 in 1987.

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & short-term invest. | $ 21,833 | $ 20,335 |
| Accts. receiv., net | 23,001 | 15,665 |
| *Inventories | 196,678 | 192,319 |
| Other curr. assets | 8,290 | 6,218 |
| Current Assets | $ 249,802 | $ 234,537 |
| #Fixed assets | 257,754 | 239,490 |
| Total Assets | $ 507,556 | $ 474,027 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Accts. payable | $ 105,700 | $ 96,748 |
| Compensation | 28,983 | 23,282 |
| Income taxes | 4,996 | 4,324 |
| Other taxes | 21,878 | 18,460 |
| Other liabilities | 18,016 | 12,999 |
| Curr. Liabilities | $ 179,573 | $ 155,813 |
| Deferred inc. taxes | 18,906 | 18,405 |
| +Common stock | 9,997 | 10,273 |
| Add. paid-in capital | 31,504 | 21,395 |
| Contrib. to profit sharing | 700 | 4,500 |
| Retained earnings | 266,876 | 263,641 |
| Total Liabilities & Shareholders' Equity | $ 507,556 | $ 474,027 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.81 | 4.98 |
| %Net Income to Sales | 2.90 | 2.78 |
| %Net Income to Equity | 18.07 | 18.67 |
| Sales to Inventories | 9.79 | 9.22 |
| Working Capital | $ 70,229,000 | $ 78,724,000 |
| Current Ratio | 1.39 | 1.51 |
| Shareholders' Equity | $ 309,077,000 | $ 299,809,000 |

## Lowe's Companies, Inc.

State Highway 268 East
P.O. Box 1111
North Wilkesboro, North Carolina 28656
(919) 651-4000

**Officers:** Robert L. Strickland, chairman of the board; Leonard G. Herring, president & chief executive officer; Wendell R. Emerine, exec. v.p.-store operations & merchandising; Dwight E. Pardue, sr. exec. v.p.-real estate; William H. McElwee, Sr., corporate counsel; Arnold N. Lakey, v.p.-credit mgmt.; Richard D. Elledge, v.p. & secretary; Harry B. Underwood, II, sr. v.p. & treasurer; John W. Vining, Jr., v.p.-administration; Leslie G. Shell, III, controller; W. Nathan Mitchell, asst. secretary; William C. Warden, Jr., asst. secretary; William F. Reiss, asst. treasurer; Kenneth A. Neal, asst. treasurer.

**Directors:** Petro Kulyayich, William H. McElwee, Sr., Leonard G. Herring, Robert L. Strickland, Russell B. Long, Gordon E. Cadwgan, Robert G. Schwartz, Jack C. Shewmaker, William A. Andres, John M. Belk.

**Business Activities:** Operates a group of merchandise stores specializing in lumber, building materials, hardware, appliances and a variety of other consumer products. Stores are located in 20 states, principally in the South.

**Transfer Agent(s):**

Wachovia Bank & Trust Company, N.A.
Box 3001
Winston-Salem, North Carolina 27102-3001

**Stock Exchange(s):** New York, Pacific, London

**Ticker Symbol:** LOW

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 296 | 1985 | 282 |
| 1987 | 295 | 1984 | 248 |
| 1986 | 300 | | |

**Sales & Earnings**

| | Net Sales | Net Income ‡ |
|---|---|---|
| 1989 | $ 2,516,879,000 | $ 69,201,000 |
| 1988 | 2,442,177,000 | 61,180,000 |
| 1987 | 2,283,480,000 | 52,219,000 |
| 1986 | 2,072,569,000 | 59,714,000 |
| 1985 | 1,688,738,000 | 61,433,000 |

| | No. of Com. Shares + | Earn per Share ‡ + |
|---|---|---|
| 1989 | 37,748,000 | $ 1.83 |
| 1988 | 39,719,000 | 1.54 |
| 1987 | 39,029,000 | 1.34 |
| 1986 | 36,509,000 | 1.64 |
| 1985 | 36,248,000 | 1.70 |

‡ Including extraordinary loss of $2,885,000 ($0.07 per share) in 1986.
+ Based on the weighted average number of shares outstanding.

**Revenues by Line of Business**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Structural lumber | $ 470,000 | $ 476,000 |
| Bldg. commod. & millwork | 720,000 | 723,000 |
| Home decor. & illum. | 307,000 | 284,000 |
| Kitch., bath & laundries | 233,000 | 221,000 |
| Heating, cooling & water syst. | 129,000 | 120,000 |
| Home entertainment | 119,000 | 103,000 |
| Recreation, yard, patio, garden & farms | 223,000 | 207,000 |
| Tools | 88,000 | 82,000 |
| Spec. order sales | 228,000 | 226,000 |
| Total | $ 2,517,000 | $ 2,442,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.46 | — | — |
| 1988 | 0.43 | — | |
| 1987 | 0.40 | — | — |
| 1986 | 0.36 | — | — |
| 1985 | 0.32 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 586,851,000 | $ 15.55 |
| 1988 | 582,436,000 | 14.66 |
| 1987 | 540,534,000 | 13.85 |
| 1986 | 407,373,000 | 11.16 |
| 1985 | 341,348,000 | 9.42 |

+ Based on the weighted average number of shares outstanding.

**Income Account**
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 2,516,879 | $ 2,442,177 |
| Cost of sales | 1,916,433 | 1,858,240 |
| Expenses | 410,060 | 403,672 |
| Depreciation | 41,184 | 38,546 |
| Emp. retire. ben. | 22,608 | 21,700 |
| Interest expense | 20,990 | 19,474 |
| Store closings | — | 9,758 |
| Income before taxes | $ 105,604 | $ 90,787 |
| Income taxes | 36,403 | 34,833 |
| Cum. effect of change in accting. | — | (5,226) |
| Net Income | $ 69,201 | $ 61,180 |

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & cash equiv. | $ 60,257 | $ 43,889 |
| Accts. receiv., net | 127,738 | 117,932 |
| *Inventories | 379,383 | 373,846 |
| Def. inc. taxes | 706 | 9,472 |
| Other curr. assets | 9,466 | 7,325 |
| Current Assets | $ 577,550 | $ 552,464 |
| #Fixed assets | 479,886 | 453,008 |
| Other assets | 28,361 | 21,857 |
| Total Assets | $ 1,085,797 | $ 1,027,329 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 12,391 | $ 11,674 |
| Short-term notes pay. | 256 | 240 |
| Accts. payable | 203,956 | 157,089 |
| Emp. retire. benefit pay. | 6,537 | 3,767 |
| Accrued payroll | 18,382 | 15,370 |
| Other liabilities | 44,211 | 43,766 |
| Curr. Liabilities | $ 285,733 | $ 231,906 |
| Long-term debt | 190,056 | 186,219 |
| Def. inc. taxes | 23,157 | 26,768 |
| +Common stock | 19,819 | 19,815 |
| Add. paid-in capital | 176,698 | 176,574 |
| Retained earnings | 440,334 | 388,414 |
| Treasury stock | (50,000) | (2,367) |
| Total Liabilities & Shareholders' Equity | $ 1,085,797 | $ 1,027,329 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.20 | 3.72 |
| %Net Income to Sales | 2.75 | 2.29 |
| %Net Income to Equity | 11.79 | 9.61 |
| Sales to Inventories | 6.63 | 6.53 |
| Debt to Equity | 0.35 | 0.34 |
| Working Capital | $ 291,817,000 | $ 320,558,000 |
| Current Ratio | 1.01 | 2.38 |
| Shareholders' Equity | $ 586,851,000 | $ 582,436,000 |

## Lucky Stores, Inc.

(Acquired by American Stores Company on June 9, 1989.)

6300 Clark Avenue
P.O. Box BB
Dublin, California 94568
(415) 828-1000

**Officers:** John M. Lillie, chairman & chief exec. officer; Lawrence A. Del Santo, president & chief operating officer; Edgar H. Grubb, sr. v.p. & chief financial officer; Leon W. Rousch, sr. v.p.-operations; James A. Toopes, Jr., v.p. & controller; F. Del Helm, v.p.-real estate; Lester C. Kranhold, v.p.-engineering; Frank J. Dorsey, v.p.-warehousing, distribution & store systems; Raymond H. Sweeney, v.p.-industrial relations; Robert R. Strickland, v.p.-finance & treasurer; Christopher McLain, v.p., counsel & secretary; Jimmie D. Prince, v.p.-manufacturing; Myron E. Bernstein, v.p.-human resources; Arthur L. Patch, v.p.-merchandising support.

**Directors:** Stanley Hiller, Jr., Walter E. Hoadley, John H. Hoefer, Joseph A. Woods, Jr., Forrest A. Plant , Mary E. Lanigar, S. Donley Ritchey*, John M. Lillie*, Melvin B. Lane, Sam L. Ginn, Luis G. Nogales, Lawrence A. Del Santo*, Mary S. Metz, Leonard Leiberman.

* Member of the Executive Committee

**Business Activities:** Operates 481 food stores under the Lucky, Food Basket, and Kash n' Karry names in California, Nevada, Arizona and Florida.

**Number of Stores:** (at fiscal year end)

| | Food Stores | Dept. Stores |
|---|---|---|
| 1987 | 481 | — |
| 1986 | 579 | — |
| 1985 | 582 | — |
| 1984 | 622 | 77 |
| 1983 | 567 | 76 |

| | Specialty Retailing |
|---|---|
| 1987 | — |
| 1986 | — |
| 1985 | 803 |
| 1984 | 696 |
| 1983 | 986 |

**Sales & Earnings**

| | Net Sales + (000's) | Net Income † (000's) |
|---|---|---|
| 1987 | $ 6,924,783 | $ 151,687 |
| 1986 | 6,440,871 | 225,940 |
| 1985 | 6,225,265 | 86,526 |
| 1984* | 6,206,594 | 94,631 |
| 1983 | 5,544,856 | 105,400 |

| | No. of Com. Shares | Earn. per Share # |
|---|---|---|
| 1987 | 38,648,000 | $ 3.93 |
| 1986 | 38,442,129 | 4.47 |
| 1985 | 51,043,348 | 1.67 |
| 1984* | 50,850,678 | 1.84 |
| 1983 | 50,739,660 | 2.05 |

* 53 weeks.
+ Of continuing operations only.
† Including extraordinary loss of $7,315,000 ($0.15 per share) in 1986.
# Based on the weighted average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.50 | — | — |
| 1986 | 0.87 | — | — |
| 1985 | 1.16 | — | — |
| 1984 | 1.16 | — | — |
| 1983 | 1.16 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1987 | $ 327,330,000 | $ 8.47 |
| 1986 | 272,089,000 | 7.08 |
| 1985 | 636,362,000 | 12.47 |
| 1984 | 609,442,000 | 11.98 |
| 1983 | 573,619,000 | 11.31 |

**Income Account**
(000's)

| Year ended | 1/31/88 | 2/1/87 |
|---|---|---|
| Net sales | $ 6,924,783 | $ 6,440,871 |
| Cost of sales | 5,194,568 | 4,917,211 |
| Expenses | 1,407,396 | 1,273,000 |
| Depreciation & amortization | 93,338 | 85,701 |
| Interest expense | 31,005 | 36,477 |
| Interest income | (3,779) | (6,818) |
| Gain on Midwest Div. transac. | (13,806) | — |
| Restruc. costs | — | 32,632 |
| Income before taxes | $ 216,061 | $ 101,791 |
| Income taxes | 96,701 | 52,097 |
| Inc.-cont. oper. | $ 119,360 | $ 49,694 |
| Inc.-discont. oper. | 26,420 | 183,561 |
| Net Income | $ 145,780 | $ 233,255 |
| Extraord. loss | — | (7,315) |
| Cum. effect of accntg. change | 5,907 | — |
| Net Income & extraord. loss | $ 151,687 | $ 225,940 |

**Assets**
(000's)

| As of | 1/31/88 | 2/1/87 |
|---|---|---|
| Cash & short-term securities | $ 24,729 | $ 75,923 |
| Receivables | 42,947 | 52,795 |
| *Inventories | 327,250 | 323,664 |
| Prepaid emp. benefits | 50,000 | — |
| Prepaid expenses & leases | 44,984 | 70,286 |
| Net assets held for sale | — | 41,382 |
| Current Assets | $ 489,910 | $ 564,050 |
| #Fixed assets | 706,540 | 736,466 |
| Prop. under cap. leases | 39,555 | 58,879 |
| Prop. under construc. | 26,737 | 48,496 |
| Other assets | 25,125 | 38,067 |
| Net assets-Hancock Fabrics | — | 105,713 |
| Total Assets | $ 1,287,867 | $ 1,551,671 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term borrowings | $ 45,000 | $ — |
| Long-term debt, curr. | 7,017 | 8,199 |
| Accts. payable | 261,115 | 281,750 |
| Accruals | 245,407 | 317,447 |
| Income taxes | 30,141 | 122,804 |
| Curr. Liabilities | $ 588,680 | $ 730,200 |
| Long-term debt | 117,290 | 285,524 |
| Other deferred liab. | 54,867 | 58,007 |
| Cap. lease oblig. | 51,107 | 73,425 |
| Deferred inc. taxes | 67,833 | 53,170 |
| Accrued insur. | 80,760 | 79,256 |
| +Common stock | 386 | 384 |
| Add. paid-in capital | 4,527 | 2,519 |
| Retained earnings | 322,417 | 269,186 |
| Total Liabilities & Shareholders' Equity | $ 1,287,867 | $ 1,551,671 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 44.54 | 85.73 |
| Sales to Inventories | 21.16 | 19.90 |
| Debt to Equity | 0.52 | 1.08 |
| Shareholders' Equity | $ 327,330,000 | $ 272,089,000 |

## L. Luria & Son, Inc.

5770 Miami Lakes Drive
Miami Lakes, Florida 33014
(305) 557-9000

**Officers:** Leonard Luria, chairman, treasurer & chief executive officer; Peter Luria, president & chief operating officer; Gary Y. Holtzman, sr. v.p.-operations & stores; Jeffrey A. Bayer, v.p.-general merchandise; Russell A. Hutchings, v.p.-construction & development; Henry S. Luria, v.p.-real estate; Bradley Talley, v.p.-management information systems; Neil Mergler, v.p.-jewelry; Gloria Luria, secretary.

## L. Luria & Son, Inc.

**Directors:** Leonard Luria, chairman; Peter P. Luria, Sydney A. Luria, Edwin D. Marks, Harold Wolfson, Harry J. Diven, Jr., Henry S. Luria, Harold Yasaky.

**Business Activities:** Operates a chain of catalog showrooms throughout the state of Florida. The product mix includes jewelry, watches, silver, gift items, luggage and home electronic equipment.

**Transfer Agent(s):**

The Citizens and Southern National Bank
P.O. Box 105555
Atlanta, Georgia 30308-5555

**Stock Exchange(s):** American

**Ticker Symbol:** LUR

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 48 | 1986 | 37 |
| 1988 | 43 | 1985 | 35 |
| 1987 | 39 | | |

**Sales & Earnings**

| | Net Sales | Net Income # |
|---|---|---|
| 1989 | $ 215,886,000 | $ 3,897,000 |
| 1988 | 205,196,000 | 6,328,000 |
| 1987 | 172,379,000 | 4,580,000 |
| 1986* | 108,591,000 | 4,578,000 |
| 1985 | 148,190,591 | 5,431,150 |

| | No. of Com. Shares ‡ | Earn. per Share #‡ |
|---|---|---|
| 1989 | 5,355,000 | $ 0.73 |
| 1988 | 5,469,000 | 1.16 |
| 1987 | 5,490,000 | 0.83 |
| 1986* | 5,472,000 | 0.84 |
| 1985 | 5,457,769 | 1.00 |

* 7 months.
# Including extraordinary loss of $1,444,000 ($0.27 per share) in 1989.
‡ Based on the weighted average number of common shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 71,309,000 | $ 13.24 |
| 1988 | 67,047,000 | 12.54 |
| 1987 | 61,994,000 | 11.29 |
| 1986 | 57,296,000 | 10.45 |
| 1985 | 32,503,647 | 9.61 |

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 215,886,000 | $ 205,196,000 |
| Cost of sales | 150,479,000 | 143,469,000 |
| Expenses | 57,380,000 | 50,395,000 |
| Interest expense | 495,000 | 74,000 |
| Income before taxes | $ 7,532,000 | $ 11,258,000 |
| Income taxes | 2,548,000 | 4,930,000 |
| Net Income | $ 4,984,000 | $ 6,328,000 |
| Extraord. loss | (1,444,000) | — |
| Cum. effect of change in accounting meth. | 357,000 | — |
| Net Income & extraord. loss | $ 3,897,000 | $ 6,328,000 |

* Included in Costs and Expenses, Depreciation: $3,434,000 in 1989 and $2,965,000 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & short-term invest. | $ 11,479,000 | $ 8,511,000 |
| Accts. receiv., net | 3,759,000 | 1,185,000 |
| *Inventories | 71,078,000 | 80,768,000 |
| Prepaid expenses | 2,250,000 | 2,452,000 |
| Current Assets | $ 88,566,000 | $ 92,916,000 |
| #Fixed assets | 28,632,000 | 30,303,000 |
| Other assets | 1,494,000 | 1,580,000 |
| Total Assets | $ 118,692,000 | $ 124,799,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 54,000 | $ 198,000 |
| Long-term debt, curr. | 242,000 | 238,000 |
| Accts. payable | 35,895,000 | 38,948,000 |
| Accruals | 4,259,000 | 5,706,000 |
| Taxes payable | 744,000 | 4,321,000 |
| Curr. Liabilities | $ 41,194,000 | $ 49,411,000 |
| Long-term debt | 3,112,000 | 3,354,000 |
| Deferred credits | 3,077,000 | 4,987,000 |
| +Common stock | 37,000 | 36,000 |
| +Class B common stock | 18,000 | 19,000 |
| Add. paid-in capital | 19,532,000 | 19,167,000 |
| Retained earnings | 53,574,000 | 49,677,000 |
| Treasury stock | (1,852,000) | (1,852,000) |
| Total Liabilities & Shareholders' Equity | $ 118,692,000 | $ 124,799,000 |

* At cost (LIFO) for diamonds and jewelry. All others at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income before Taxes to Sales | 3.49 | 5.49 |
| %Net Income to Sales | 2.31 | 3.08 |
| %Net Income to Equity | 6.99 | 9.44 |
| Sales to Inventories | 3.04 | 2.54 |
| Debt to Equity | 0.05 | 0.06 |
| Working Capital | $ 47,372,000 | $ 43,505,000 |
| Current Ratio | 2.15 | 1.88 |
| Shareholders' Equity | $ 71,309,000 | $ 67,047,000 |

## Luskin's, Inc.

7125 Columbia Gateway
Columbia, Maryland 21046
(301) 290-1111

**Officers:** Jack Luskin, chairman & chief exec. officer; Cary A. Luskin, president & chief operating officer; Kevin E. Luskin, v.p. & secretary; William F. Love, Jr., treasurer; Stuart Kallman, v.p.-sales & marketing.

**Directors:** Jack Luskin, chairman of the board; Cary A. Luskin, Kevin E. Luskin, Isaac M. Neuberger, Melvin Berger.

**Business Activities:** Operates 44 specialty retail stores which sell a wide variety of home entertainment and consumer electronic products and major appliances under the Luskin's name in Maryland, Washington, D.C., Virginia and Indiana, and under the Tokyo Shapiro name in Ohio and Connecticut.

**Subsidiaries:**

Sound and Sight, Inc.
Indianapolis, Indiana

We-are-Electronics, Inc.
Ashby Enterprises, Ltd.
Rising Sun, Inc.
Tokyo Shapiro, Inc.

**Transfer Agent(s):**

Maryland National Bank
Baltimore, Maryland

**Stock Exchange(s):** Over-the Counter

**Ticker Symbol:** LUSK (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 44 | 1984 | 29 |
| 1986 | 53 | 1983 | 23 |
| 1985 | 53 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1987 | $ 126,363,000 | $ (1,778,000) |
| 1986 | 140,025,000 | 950,000 |
| 1985 | 109,827,000 | 4,291,000 |
| 1984 | 89,987,000 | 4,233,000 |
| 1983 | 71,677,000 | 3,551,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ † |
|---|---|---|
| 1987 | 4,370,000 | $ — |
| 1986 | 4,765,000 | 0.20 |
| 1985 | 4,658,000 | 0.92 |
| 1984 | 4,658,000 | 0.94 |
| 1983 | 4,500,000 | 0.79 |

(Loss)
† Including extraordinary gain of $227,000 ($0.05 per share in 1983.)
‡ Based on the weighted average number of common share and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 16,386,000 | $ 3.75 |
| 1986 | 18,164,000 | 3.81 |
| 1985 | 18,816,000 | 4.04 |
| 1984 | 11,290,000 | 2.51 |
| 1983 | 7,056,000 | 1.57 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended | 1/31/88 | 1/31/87 |
|---|---|---|
| Net sales | $ 126,363,000 | $ 140,025,000 |
| Other income | 651,000 | 896,000 |
| Total income | $ 127,014,000 | $ 140,921,000 |
| Cost of sales | 92,680,000 | 101,681,000 |
| Expenses | 34,859,000 | 36,914,000 |
| Closed store exp. | 1,475,000 | — |
| Interest expense | 1,110,000 | 653,000 |
| Other income | — | (177,000) |
| Income (loss) before taxes | $ (3,110,000) | $ 1,850,000 |
| Income taxes (credit) | (1,332,000) | 900,000 |
| Net Income | $ (1,778,000) | $ 950,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,585,000 in 1988 and $1,032,000 in 1987.

**Assets**

| As of | 1/31/88 | 1/31/87 |
|---|---|---|
| Cash | $ 3,691,000 | $ 9,282,000 |
| Accts. receiv., net | 2,311,000 | 2,038,000 |
| *Inventories | 26,311,000 | 24,708,000 |
| Refundable income taxes | 847,000 | — |
| Prepaid expenses | 1,014,000 | 920,000 |
| Current Asset. | $ 34,174,000 | $ 36,948,000 |
| #Fixed assets | 9,781,000 | 7,794,000 |
| Other assets | 746,000 | 803,000 |
| Intangibles | 1,592,000 | 1,753,000 |
| Total Assets | $ 46,293,000 | $ 47,298,000 |

**Liabilities**

| | | |
|---|---|---|
| Bank overdraft | $ — | $ 4,308,000 |
| Payable for purch. of treasury stock | — | 1,650,000 |
| Short-term borrowings | 6,687,000 | — |
| Long-term debt, curr. | 24,000 | 39,000 |
| Accts. payable | 7,165,000 | 7,457,000 |
| Accruals | 1,848,000 | 1,954,000 |
| Oblig. for closed stores | 325,000 | — |
| Income taxes | — | 1,568,000 |
| Deferred serv. inc. | 1,644,000 | 1,369,000 |
| Curr. Liabilities | $ 17,693,000 | $ 18,345,000 |
| Long-term debt | 10,055,000 | 10,079,000 |
| Oblig. for closed stores | 222,000 | — |
| Deferred serv. inc. | 821,000 | 652,000 |
| Deferred inc. taxes | 1,116,000 | 58,000 |
| +Common stock | 48,000 | 48,000 |
| Add. paid-in capital | 3,217,000 | 3,217,000 |
| Retained earnings | 14,771,000 | 16,549,000 |
| Treasury stock | (1,650,000) | (1,650,000) |
| Total Liabilities & Shareholders' Equity | $ 46,293,000 | $ 47,298,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income before Taxes to Sales | — | 1.32 |
| %Net Income to Sales | — | 0.68 |
| %Net Income to Equity | — | 5.23 |
| Sales to Inventories | 4.80 | 5.67 |
| Debt to Equity | 1.02 | 0.56 |
| Working Capital | $ 16,481,000 | $ 18,603,000 |
| Current Ratio | 1.93 | 2.01 |
| Shareholders' Equity | $ 16,386,000 | $ 18,164,000 |

## R. H. Macy & Co., Inc.

(A private corporation)

151 West 34th Street
New York, New York 10001
(212) 560-3600

**Officers:** Edward S. Finkelstein, chairman of the board & chief executive officer; Mark S. Handler, president & chief operating officer; A. David Brown, sr. v.p.-personnel & labor relations; Gertrude G. Michelson, sr. v.p.-external affairs; Marvin Fenster, sr. v.p., special counsel & secretary; Arthur E. Reiner, chairman-Macy's Northeast, Inc.; Harold D. Kahn, chairman-Macy's California, Inc.; Robert N. Friedman, chairman-Macy's South, Inc. & Bullock's; Theodore M. Ronick, chairman-R. H. Macy Corporate Buying Division; Rose Marie Bravo, chairman-Magnin, Inc.; Joseph Cicio, sr. v.p.-store design & visual merchandising; Richard P. Crystal, sr. v.p.-specialty stores; Donald Eugene, sr. v.p.-finance & control administration; Herbert M. Heilman, sr. v.p. & general counsel; Nat Kurtz, sr. v.p.-taxes; Michael W. Stemen, sr. v.p.-store planning & construction.

**Directors:** Edward S. Finkelstein, chairman; Mark S. Handler, Robert N. Friedman, Harold D. Kahn, A. David Brown, Marvin Fenster, Laurence A. Tisch, Sidney J. Weinberg, Jr., Henry A. Kissinger, A. Alfred Taubman, Paul W. Van Orden, Gertrude G. Michelson, Michael F. Price, Arthur E. Reiner, Theodore M. Ronick.

**Business Activities:** Operates chains of department stores under the Macy's, Bullock's/Bullock's Wilshire, and I. Magnin names.

**Divisions and Subsidiaries:**

Macy's California, Inc.
Stockton & O'Farrell Streets
P.O. Box 7888
San Francisco, California 94120
(415) 397-3333

Macy's Atlanta, Inc.
180 Peachtree Street, N.W.
Atlanta, Georgia 30303
(404) 221-7221

R. H. Macy Corporate Buying
151 West 34th Street
New York, New York 10001

R. H. Macy Properties
151 West 34th Street
New York, New York 10001

Macy's New York, Inc.
Herald Square
New York, New York 10001
(212) 695-4400

Macy's New Jersey, Inc.
131 Market Street
Newark, New Jersey 07101
(201) 565-1234

Macy Credit Corp.
151 West 34th Street
New York, New York 10001
(212) 279-9829

R. H. Macy Store Planning, Design and Construction
New York, New York

Bullock's/Bullock's Wilshire
800 South Hope Street
Los Angeles, California 90014
(213) 612-5000
Operates 29 department stores and three Bullock's Woman apparel specialty stores, in California, Arizona and Nevada.

I. Magnin
135 Stockton Street
San Francisco, California 94108
(415) 362-2100
Operates 25 department stores in California, Arizona, Oregon, Washington, Illinois, and Maryland.

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 5,729,095,000 | $ (188,160,000) |
| 1987 | 5,210,416,000 | (13,820,000) |
| 1986* | — | (11,429,000) |

| | No. of Com. Shares | Earn. per Share † |
|---|---|---|
| 1988 | 1,750,000 | $ — |
| 1987 | 1,750,000 | — |

(Loss)
* 8 months.
† Including extraordinary loss of $53,994,000 in 1988.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ (247,379,000) | $ — |
| 1987 | (334,317,000) | — |

(Deficiency)

**Income Account**
(000's)

| Year ended | 7/30/88 | 8/1/87 |
|---|---|---|
| Net sales | $ 5,729,095 | $ 5,210,416 |
| Cost of sales | 3,898,062 | 3,469,086 |
| Expenses | 1,328,675 | 1,156,622 |
| Interest expense | 570,208 | 534,557 |
| Unusual items | 105,000 | — |
| Other income | (6,068) | (9,476) |
| Inc. (loss) bef. taxes | $ (166,782) | $ 59,627 |
| Income taxes (credit) | (32,616) | 73,447 |
| Net Loss | $ (134,166) | $ (13,820) |
| Extraord. loss | (53,994) | — |
| Net Loss & extraord. loss | $ (188,160) | $ (13,820) |

**Assets**
(000's)

| As of | 7/30/88 | 8/1/87 |
|---|---|---|
| Cash & cash equiv. | $ 12,721 | $ 54,422 |
| Cust. accts. receiv. | 181,436 | 26,780 |
| Other receivables | 41,247 | 26,527 |
| Inc. tax receiv. | 56,813 | — |
| Inventories | 1,294,910 | 1,016,230 |
| Prepaid exp. | 51,675 | 35,969 |
| Prepaid inc. taxes | 37,748 | — |
| Current Assets | $ 1,676,550 | $ 1,159,928 |
| #Fixed assets | 2,856,106 | 2,297,616 |
| Other assets | 981,949 | 751,493 |
| Total Assets | $ 5,514,605 | $ 4,209,037 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 67,989 | $ 86,937 |
| Cap. lease oblig., curr. | 2,324 | 1,853 |
| Accts. payable & accruals | 928,513 | 687,337 |
| Due to finance subsid. | 233,408 | 37,864 |
| Income taxes | 46,781 | 59,563 |
| Revolv. credit facil. | 66,909 | 1,000 |
| Accts. receiv.-bridge loan | 100,000 | — |
| Curr. Liabilities | $ 1,445,924 | $ 874,554 |
| Long-term debt | 3,726,109 | 2,749,075 |
| Cap. lease oblig. | 22,742 | 21,597 |
| Def. inc. taxes | 144,485 | 202,392 |
| Other liabilities | 98,185 | 96,108 |
| +Redeem. preferred stock | 324,539 | 299,628 |
| ++Common stock | 1,750 | 1,750 |
| Accum. deficit | (248,403) | (35,787) |
| Treasury stock | (726) | (280) |
| Total Liabilities & Shareholders' Equity | $ 5,514,605 | $ 4,209,037 |

# Less accumulated depreciation.
+ $1 par value; 8% cumulative.
++ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.42 | 5.13 |
| Working Capital | $ 230,626,000 | $ 285,374,000 |
| Current Ratio | 1.16 | 1.33 |
| Shareholders' Equity (Deficiency) | $ (247,379,000) | $ (34,317,000) |

## Manhattan Industries, Inc.

(Acquired by Salant Corporation in August 1988)

Corporate Offices:
1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500

Administrative Offices:
25 DeBoer Drive
Glen Rock, New Jersey 07452
(201) 447-2000

**Officers:** Laurence C. Leeds, Jr., chairman of the board & chief exec. officer; Nicholas P. DiPaolo, president & chief operating officer; Donald H. Kallman, vice chairman of the board, exec. v.p. & chairman of executive committee; Samuel M. Miller, v.p., secretary, treasurer & controller; Bruce P. Fogwell, v.p.-advertising & public relations; Zachary Solomon, exec. v.p..

**Directors:** Roy M. Goodman, Thomas Hoving, Donald H. Kallman*, Harvey N. Krueger, E. John Rosenwald, Jr., Laurence C. Leeds, Jr.*, Jack Lyons, Irving Matthews, Irving Silverman, Carl Spielvogel, Louis C. Stengel, Jr.*, Nicholas P. DiPaolo*, Zachary Solomon*, Thomas J. Tisch.

* Member of the Executive Committee

# Manhattan Industries, Inc.

**Business Activities:** Manufactures and retails men's and women's apparel. The Apparel Division consists of three companies manufacturing men's wear and two companies manufacturing women's wear. The Retail Division is composed of the 59 stores operated by Manhattan Factory Outlets, which sell men's and women's wear and domestic furnishings in the Northeast and South. The International Division represents Manhattan Industries around the world with 32 Manhattan licensees operating in 45 countries.

**Divisions and Subsidiaries:**

Apparel Division:

Men's Wear

The Manhattan Shirt Company
1155 Avenue of the Americas
New York, New York 10036
Manufactures and sells men's shirts, sportshirts, sport knits and pajamas. Manufacturing plants: Americus, Georgia.

Manhattan Accessories Division
1155 Avenue of the Americas
New York, New York 10036
Manufactures and sells men's neckwear, scarves and mufflers, belts and small leather goods.

John Henry for Men
1155 Avenue of the Americas
New York, New York 10036
Markets men's shirts, sportshirts and accessories.

Henry Grethel For Men
1155 Avenue of the Americas
New York, New York 10036
Markets designer sportswear, shirts and furnishings.

Morgan Shirt Corporation
Morgantown, Virginia
Manufactures men's shirts.

Women's Wear

MI Designer Group

Anne Klein for New Aspects
1411 Broadway
New York, New York 10018
Manufactures and sells women's blouses.

The Lady Manhattan Company
1407 Broadway
New York, New York 10018
(212) 265-3700
Manufacturers and sells blouses. Mfg. plants: Scranton, Pennsylvania.

The Vera Companies
417 Fifth Avenue
New York, New York 10016
Manufactures and sells women's sportswear, dresses, scarves and table linens. Mfg. plants: Puerto Rico, and Grafton, West Virginia.

John Henry For Women
1411 Broadway
New York, New York 10018
Markets women's shirts and tops.

Manhattan Dress Division
1400 Broadway
New York, New York 10018
Manufactures and markets John Henry, Peter Ashley, and Lanvin dresses.

Henry Grethel For Women
1411 Broadway
New York, New York 10018
Markets women's shirts, tops and sportswear.

Perry Ellis Division
575 Seventh Avenue
New York, New York
Designs and markets women's sportswear.

Retail Division

Manhattan Factory Outlet
1501 Broadway
Fair Lawn, New Jersey 07410
(201) 799-8660

Licensing Division:

Manhattan Licensing
1155 Avenue of the Americas
New York, New York 10036

**Number of Stores:** (at fiscal year end)

1987 . . . . . 59 1986 . . . . . 92

**Sales & Earnings**

| | Net Sales + ($000's) | Net Income ($000's) |
|---|---|---|
| 1987 | $ 335,754 | (7,419) |
| 1986 | 335,469 | (11,008) |
| 1985 | 381,018 | 1,124 |
| 1984 | 308,809 | 11,547 |
| 1983 | 279,236 | 7,525 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 5,061,000 | $ — |
| 1986 | 5,041,000 | — |
| 1985 | 4,824,000 | 0.20 |
| 1984 | 4,143,000 | 2.67 |
| 1983 | 3,832,000 | 1.78 |

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.20 | 4% | — |
| 1986 | 0.25 | 4% | — |
| 1985 | 0.30 | 4% | — |
| 1984 | 0.30 | 4% | — |
| 1983 | 0.30 | 4% | — |

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share # |
|---|---|---|
| 1987 | $ 62,671,000 | $ 12.28 |
| 1986 | 70,987,000 | 14.05 |
| 1985 | 83,040,000 | 16.52 |
| 1984 | 72,721,000 | 16.60 |
| 1983 | 59,947,000 | 15.84 |

‡ After allowing for convertible preferred stock at involuntary liquidation value.
# Adjusted to reflect stock dividends.

**Income Account ***
(000's)

| Year ended Jan. 31 | 1987 | 1986 |
|---|---|---|
| Net sales | $ 335,754 | $ 335,469 |
| Cost of sales | 252,769 | 254,887 |
| Expenses | 81,898 | 80,624 |
| Royalty & other income | (6,087) | (5,022) |
| Interest expense | 10,296 | 11,693 |
| Non-recurring inc. | (9,333) | (1,482) |
| Bus. realign. charges | 7,500 | 16,800 |
| Loss before taxes | $ (1,289) | $ (22,031) |
| Tax credit | — | (10,900) |
| Loss-cont. oper. | $ (1,289) | $ (11,131) |
| Inc. (loss)-discont. oper. | (6,130) | 123 |
| Net Loss | $ (7,419) | $ (11,008) |

* Included in Costs and Expenses, Depreciation and Amortization: $5,061,000 in 1987 and $4,885,000 in 1986.

**Assets**
(000's)

| As of Jan. 31 | 1987 | 1986 |
|---|---|---|
| Cash | 1,475 | 2,436 |
| Accts. receiv., net | 13,267 | 21,568 |
| *Inventories | 71,563 | 74,503 |
| Prepaid expenses | 3,363 | 3,783 |
| Net assets held for sale | 5,773 | 34,844 |
| Current Assets | $ 95,441 | $ 137,134 |
| Investments & other assets | 13,738 | 13,699 |
| #Fixed assets | 25,963 | 30,238 |
| Prop. under cap. leases | 2,251 | 2,528 |
| Total Assets | $ 137,393 | $ 183,599 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 8,436 | $ 31,788 |
| Long-term debt, curr. | 6,460 | 6,815 |
| Accts. payble & accruals | 32,250 | 29,344 |
| Curr. Liabilities | $ 47,146 | $ 67,947 |
| Long-term debt | 23,088 | 39,584 |
| Cap. lease oblig. | 2,268 | 2,608 |
| Other liabilities & deferred credits | 1,798 | 1,911 |
| +Preferred stock | 422 | 562 |
| +Common stock | 5,104 | 4,857 |
| Add. paid-in capital | 50,992 | 47,926 |
| Retained earnings | 6,575 | 18,204 |
| Total Liabilites & Shareholders' Equity | $ 137,393 | $ 183,599 |

* At lower of cost or market. FIFO for apparel operations; retail method for outlet stores.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.69 | 4.50 |
| Debt to Equity | 0.64 | 1.13 |
| Working Capital | $ 48,295,000 | $ 69,187,000 |
| Current Ratio | 2.02 | 2.02 |
| Shareholders' Equity | $ 63,093,000 | $ 71,549,000 |

# Marks and Spencer p.l.c.

Michael House
37-67 Baker Street
London W1A 1DN, England
01-935 4422

**Directors:** The Lord Rayner, chairman & chief executive; R. Greenbury, chief operating officer & joint managing director; N. L. Colne, executive director; J. A. Lusher, executive director; J. K. Oates, executive director; S. J. Sacher, executive director; The Hon. David Sieff, executive director; C. V. Silver, executive director; A. K. P. Smith, executive director; P. H. Spriddell, executive director; D. G. Trangmar, executive director; D. V. Atterton, non-executive director; A. E. Frost, non-executive director; R. A. E. Herbert, non-executive director; D. G. Lanigan, non-executive director; D. R. Susman, non-executive director; B. J. Lynch, alternate director; A. S. Orton, alternate director; M. Epstein, secretary.

**Business Activities:** Operates 264 Marks and Spencer department stores in the United Kingdom, 10 in France, Belgium and Ireland, and 78 in Canada. Also operates 80 Peoples department stores in Canada; 104 D'Allaird's women's retail clothing stores in Canada, one D'Allaird's store in the U.S., and a total of 67 Brooks Brothers men's clothing stores in the U.S. and Japan.

**Retail Subsidiaries:**

Marks and Spencer Canada Inc.
3770 Nashua Drive
Mississauga, Ontario L4T 3R1 Canada
(416) 676-1910

Marks and Spencer Division
Peoples Division
D'Allaird's Division
D'Allaird's USA Division
Marks and Spencer (France) S.A.
Marks and Spencer (Ireland) Limited
SA Marks and Spencer (Belgium) NV

**Acquisition:**

Brooks Brothers, Inc.
New York, New York
Operates 46 upscale men's clothing stores in the U.S., and 21 in Japan as part of a joint venture.

**Registrars and Transfer Office:**

Ravensbourne Registration Services Limited
Bourne House
34 Beckenham Road
Beckenham, Kent BR3 4TU, England

**Stock Exchange(s):** London

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 537 | 1984 | 484 |
| 1986 | 518 | 1983 | 477 |
| 1985 | 500 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1987 | £4,220,800,000 | £ 276,000,000 |
| 1986 | 3,734,800,000 | 222,400,000 |
| 1985 | 3,208,100,000 | 181,400,000 |
| 1984 | 2,862,500,000 | 166,400,000 |
| 1983 | 2,509,900,000 | 135,200,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 2,650,061,104 | 10.4p |
| 1986 | 2,644,147,693 | 8.4 |
| 1985 | N.A. | 6.9 |
| 1984 | N.A. | 6.3 |
| 1983 | N.A. | 5.15 |

N.A. - Not Available.
£ - pound sterling
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1987 | 1986 |
|---|---|---|
| Clothing | £ 2,118,400 | £ 1,866,000 |
| Homeware | 516,700 | 439,000 |
| Foods | 1,549,100 | 1,410,000 |
| Financial activities | 36,600 | 19,000 |
| Total | £ 4,222,800 | £ 3,734,800 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | 4.5p | — | — |
| 1986 | 3.9 | — | — |
| 1985 | 3.4 | — | — |
| 1984 | 3.125 | — | — |
| 1983 | 2.55 | — | — |

**Common Stock Equity**

| | Total Equity † | Equity Per Share |
|---|---|---|
| 1987 | £1,577,400,000 | 59.52p |
| 1986 | 1,461,500,000 | 55.27 |

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account** *
(000's)

| Year ended | 3/31/87 | 4/1/86 |
|---|---|---|
| Net sales | £ 4,220,800 | £ 3,734,800 |
| Cost of sales | 2,915,800 | 2,666,500 |
| Staff costs | 485,000 | 421,700 |
| Occupancy costs | 115,900 | 91,600 |
| Other costs | 180,400 | 118,100 |
| Repairs, renewals, maint. | 37,700 | 33,600 |
| Depreciation | 68,800 | 53,000 |
| Other income | (23,800) | (26,600) |
| Interest expense | 8,900 | 11,100 |
| Income before taxes | £ 432,100 | £ 365,800 |
| Income taxes | 156,200 | 141,300 |
| Minority interests | (100) | 2,100 |
| Net Income | £ 276,000 | £ 222,400 |

* Included in Costs and Expenses, Depreciation: £ 67,800,000 in 1987 and £ 52,700,000 in 1986.

**Assets**
(000's)

| As of | 3/31/87 | 4/1/87 |
|---|---|---|
| Cash | £ 58,800 | £ 106,200 |
| Investments | 38,000 | 66,100 |
| Accts. receiv., net | 114,900 | 102,900 |
| *Inventories | 255,400 | 235,300 |
| Current Assets | £ 467,100 | £ 510,500 |
| #Fixed assets | 1,636,600 | 1,461,900 |
| Net assets of fin. activities | 51,300 | 18,300 |
| Total Assets | £ 2,155,000 | £ 1,990,700 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank loans & overdrafts | £ 30,500 | £ 35,600 |
| Accts. payable | 103,600 | 107,800 |
| Other payables | 77,400 | 55,000 |
| Bills of exch. pay. | 5,400 | 18,400 |
| Group relief payable | 4,300 | 6,900 |
| Accruals | 44,400 | 32,800 |
| Income taxes | 161,800 | 139,100 |
| Other taxes | 20,200 | 16,000 |
| Proposed dividend | 82,300 | 70,100 |
| Curr. Liabilities | £ 529,900 | £ 481,700 |
| Long-term debt | 46,300 | 46,100 |
| Minority interests | — | 10,500 |
| +Preferred stock: | | |
| 7.0% cumulative | 400 | 400 |
| 4.9% cumulative | 1,000 | 1,000 |
| ++Common stock | 663,400 | 661,300 |
| Add. paid-in capital | 13,500 | 5,800 |
| Revaluation reserve | 86,400 | 84,000 |
| Profit and loss acct. | 814,100 | 699,900 |
| Total Liabilities & Shareholders' Equity | £ 2,155,000 | £ 1,990,700 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value.
++ 25p par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.24 | 9.79 |
| %Net Income to Sales | 6.54 | 5.95 |
| %Net Income to Equity | 17.48 | 15.31 |
| Sales to Inventories | 16.53 | 15.87 |
| Debt to Equity | 0.05 | 0.06 |
| Shareholders' Equity | £1,578,800,000 | £1,452,400,000 |

## Mars Stores, Inc.

680 Spring Street
North Dighton, Massachusetts 02764
(617) 822-1500

**Officers:** Paul Kwasnick, chairman, president & chief exec. officer; Matthew Tatelbaum, first vice chairman; Ronald V. Caulfield, sr. v.p.; Robert G. Burch, v.p.-operations; Paul Glaser, v.p.-merchandising; Frank DelToro, v.p.-sales promotion; James M. Lynch, v.p.-finance & treasurer; Benjamin H. Lacy, clerk.

**Directors:** Matthew Tatelbaum, Samuel Katz *, Benjamin Lacy, Paul Kwasnick *, Allen M. Glick.

* Member of the Executive Committee

**Areas of Work:** Operates self-service discount department stores in New England under the names Mars Stores and Gaynes Stores.

**Subsidiaries:**

Gaynes Department Stores, Inc.
Mars Leasing Co., Inc.

**Transfer Agent(s):**

State Street Bank & Trust Company
Boston, Massachusetts

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MXXX (MASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 18 | 1984 | 21 |
| 1986 | 36 | 1983 | 12 |
| 1985 | 30 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1987 | $ 98,908,589 | $ (7,231,021) |
| 1986 * | 104,191,036 | (2,812,495) |
| 1985 | 94,568,517 | 870,622 |
| 1984 | 64,801,630 | 1,335,192 |
| 1983 | 38,114,444 | 762,177 |

| | No. of Com. Shares | Earn. per Share |
|---|---|---|
| 1987 | 2,202,475 | $ — |
| 1986 * | 2,228,850 | — |
| 1985 | 2,174,700 | 0.42 |
| 1984 | 1,630,290 | 0.81 |
| 1983 | 1,557,790 | 0.61 |

(Loss)
* 53 weeks.
+ Of continuing operations only.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1987 | $ 3,924,323 | $ 1.78 |
| 1986 | 11,001,117 | 4.94 |
| 1985 | 13,809,549 | 6.35 |
| 1984 | 6,975,825 | 4.30 |
| 1983 | 5,725,504 | 3.68 |

**Income Account** *

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Net sales | $ 98,908,589 | $ 104,191,036 |
| Other income | 1,515,296 | 1,695,721 |
| Total income | $ 100,423,885 | $ 105,886,757 |

| | | |
|---|---|---|
| Cost of sales | 72,541,178 | 76,093,990 |
| Expenses | 31,000,596 | 30,645,874 |
| Restruc. costs | 2,306,000 | — |
| Interest expense | 1,216,111 | 929,074 |
| Loss bef. taxes | $ (6,640,000) | $ (1,782,181) |
| Tax credit | — | (825,000) |
| Loss-cont. oper. | $ (6,640,000) | $ (957,181) |
| Loss-discont. oper. | (591,021) | (1,855,314) |
| Net Loss | $ (7,231,021) | $ (2,812,495) |

* Included in Costs and Expenses, Depreciation and Amortization: $1,025,683 in 1987 and $1,027,345 in 1986.

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ — | $ 949,972 |
| * Inventories | 12,642,919 | 20,443,991 |
| Due from sale of inventory | 3,368,749 | — |
| Refundable income taxes | — | 844,000 |
| Other curr. assets | 2,138,201 | 1,524,633 |
| Current Assets | $ 18,149,869 | $ 23,762,596 |
| # Fixed assets | 7,022,448 | 8,595,083 |
| Other assets | 419,399 | 591,533 |
| Total Assets | $ 25,591,716 | $ 32,949,212 |

**Liabilities**

| | | |
|---|---|---|
| Cash overdraft | $ 359,547 | $ — |
| Long-term debt, curr. | 960,450 | 1,254,788 |
| Cap. lease oblig., curr. | 119,000 | 110,000 |
| Accts. payable & accruals | 9,351,693 | 9,279,020 |
| Compensation & related taxes | 562,290 | 560,229 |
| Other taxes | 196,985 | 309,233 |
| Accrued for costs of discont. oper. | 250,000 | 1,037,000 |
| Curr. Liabilities | $ 11,797,965 | $ 12,550,270 |
| Long-term debt, curr. | 9,342,428 | 8,751,825 |
| Cap. lease oblig. | 471,000 | 590,000 |
| Def. inc. taxes | 56,000 | 56,000 |
| + Common stock | 1,116,675 | 1,115,425 |
| Add. paid-in capital | 8,949,353 | 9,178,478 |
| Retained earnings (deficit) | (6,101,307) | 1,129,714 |
| Treasury stock | (40,398) | (2,500) |
| Loan to officer | — | (420,000) |
| Total Liabilities & Shareholders' Equity | $ 25,591,716 | $ 32,949,212 |

* At lower of cost (FIFO) or market, determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 7.82 | 5.10 |
| Debt to Equity | 2.78 | 0.97 |
| Working Capital | $ 6,351,904 | $ 11,212,326 |
| Current Ratio | 1.54 | 1.89 |
| Shareholders' Equity | $ 3,924,323 | $ 11,001,117 |

## Marsh Supermarkets Inc.

P.O. Box 155
501 Depot Street
Yorktown, Indiana 47396-1599
(317) 759-8101

**Officers:** William P. Givens, chairman of the board; Don E. Marsh, president & chief exec. officer; C. Alan Marsh, president & chief operating officer-Marsh Village Pantries, Inc.; William L. Marsh, v.p. & gen. mgr.-property mgmt.; Donald M. Rix, v.p.-new format development; Ronald R. Walicki, v.p. & gen. mgr.-supermarket division; P. Lawrence Butt, v.p., secretary & counsel; David M. Redden, v.p.-warehousing & transportation; John S. Hayford, v.p.-finance and treasurer; John W. Laboda, v.p.-Management Information Systems and Services; Theodore R. Varner, v.p. & gen. mgr.-Convenience Store Distributing Co.; Lennie D. Hayes, asst. v.p.-real estate; Donald L. Plummer, asst. v.p.-facilities engineering; Ronald P. Stolz, assistant v.p.-administration; Mary B. Needler, asst. secretary & asst. treasurer; Lois A. Gross, asst. secretary; Frank J. Bryja, v.p.-merchandising; Joan M. Hurley, asst. v.p.-market research; Lola M. Hale, asst. treasurer.

**Directors:** William P. Givens, chairman; Don E. Marsh, Estel V. Marsh, C. Alan Marsh, Garnet Marsh, Charles R. Clark, Stephen M. Huse, James K. Risk, III, Jack E. Bucklen.

**Areas of Work:** Operates Marsh supermarkets, Marsh Xtra combination food and drug stores, and Village Pantry convenience stores, in Indiana and Ohio. Most of the Village Pantry stores also sell gasoline. A subsidiary, Convenience Store Distributing Company, distributes goods to the Company's convenience stores as well as to 650 other convenience stores in a seven-state area.

**Divisions:**

Village Pantry
Supermarket Division
Drug Division

All at:
Yorktown, Indiana 47396
(317) 759-8101

**Subsidiaries:**

Mundy Realty, Inc.
Marsh Village Pantries, Inc.
Mar Properties, Inc.
Marlease, Inc.
American Guaranty Corporation
Maraines Greenery, Inc.
Micron Restaurant Equipment and Supply
Marsh Drugs, Inc.
Ron Michael, Inc.
Marsh P. Q., Inc.
S. C. T., Inc.
Convenience Store Distributing Company

**Transfer Agent(s):**

Merchants National Bank & Trust Company of Indianapolis
Indianapolis, Indiana

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MARS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | Marsh Stores | Village Pantrys |
|---|---|---|
| 1989 | 76 | 167 |
| 1988 | 76 | 166 |
| 1987 | 74 | 170 |
| 1986 | 75 | 175 |
| 1985 | 74 | 154 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 894,919,000 | $ 8,518,000 |
| 1988 | 848,125,000 | 7,823,000 |
| 1987 | 772,241,000 | 6,695,000 |
| 1986 | 718,506,000 | 6,433,000 |
| 1985 | 671,187,000 | 4,716,000 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1989 | 7,747,929 | $ 1.10 |
| 1988 | 7,746,561 | 1.02 |
| 1987 | 7,643,002 | 0.88 |
| 1986 | 7,506,255 | 0.77 |
| 1985 | 8,387,841 | 0.56 |

† Adjusted to reflect stock splits.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.31 | — | 3-for-2 |
| 1988 | 0.29 | — | |
| 1987 | 0.26 | — | 3-for-2 |
| 1986 | 0.23 | — | — |
| 1985 | 0.21 | — | — |

‡ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 63,134,000 | $ 8.15 |
| 1988 | 56,645,000 | 7.31 |
| 1987 | 50,637,000 | 6.63 |
| 1986 | 45,479,000 | 6.06 |
| 1985 | 47,537,000 | 5.67 |

‡ Adjusted to reflect stock splits.

**Income Account ***

| Year ended | 4/1/89 | 4/2/88 |
|---|---|---|
| Net sales | $ 894,919,000 | $ 848,125,000 |
| Other income | 6,988,000 | 7,406,000 |
| Total income | $ 901,907,000 | $ 855,531,000 |
| Cost of sales | 696,032,000 | 667,308,000 |
| Expenses | 186,822,000 | 170,546,000 |
| Interest expense | 6,725,000 | 5,742,000 |
| Income before taxes | $ 12,328,000 | $ 11,935,000 |
| Income taxes | 3,810,000 | 4,112,000 |
| Net Income | $ 8,518,000 | $ 7,823,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $11,749,000 in 1989 and $10,388,000 in 1988.

**Assets**

| As of | 4/1/89 | 4/2/88 |
|---|---|---|
| Cash & temp. invest. | $ 5,955,000 | $ 2,282,000 |
| Accts. & notes receiv., net | 8,787,000 | 8,068,000 |
| *Inventories | 54,898,000 | 53,779,000 |
| Prepaid expenses | 4,403,000 | 3,899,000 |
| Current Assets | $ 74,043,000 | $ 68,028,000 |
| #Fixed assets | 105,181,000 | 89,944,000 |
| Other assets | 17,148,000 | 12,856,000 |
| Cap. lease property | 14,718,000 | 16,581,000 |
| Total Assets | $ 211,090,000 | $ 187,409,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ — | $ 3,400,000 |
| Long-term debt & cap. lease oblig. curr. | 5,503,000 | 5,790,000 |
| Accts. payable | 27,527,000 | 30,128,000 |
| Accrued payroll | 8,860,000 | 8,343,000 |
| Dividends payable | 620,000 | 568,000 |
| Accts. payable & accruals | 5,817,000 | 3,464,000 |
| Taxes | 5,503,000 | 5,709,000 |
| Income taxes | 1,842,000 | 1,214,000 |
| Curr. Liabilities | $ 56,493,000 | $ 58,616,000 |

| | | |
|---|---|---|
| Long-term debt | 57,727,000 | 36,054,000 |
| Cap. lease oblig. | 17,548,000 | 19,306,000 |
| Deferred inc. taxes | 14,198,000 | 13,911,000 |
| Other defer. items | 1,990,000 | 2,877,000 |
| +Common stock | 16,538,000 | 16,529,000 |
| Retained earnings | 55,074,000 | 48,989,000 |
| Treasury stock | (6,552,000) | (6,559,000) |
| Deferred cost | (1,926,000) | (2,314,000) |
| Total Liabilities & Shareholders' Equity | $ 211,090,000 | $ 187,409,000 |

* At lower of cost (LIFO & FIFO) or market.
\# Less accumulated depreciation and amortization.
\+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.38 | 1.41 |
| %Net Income to Sales | 0.95 | 0.92 |
| %Net Income to Equity | 13.49 | 13.81 |
| Sales to Inventories | 16.30 | 15.77 |
| Debt to Equity | 1.28 | 1.14 |
| Working Capital | $ 17,550,000 | $ 9,412,000 |
| Current Ratio | 1.31 | 1.16 |
| Shareholders' Equity | $ 63,134,000 | $ 56,645,000 |

## The May Department Stores Company

611 Olive Street
St. Louis, Missouri 63101
(314) 342-6300

**Officers:** David C. Farrell, chairman & chief executive officer; Thomas A. Hays, president; Richard L. Battram, vice chairman; Lawrence E. Honig, vice chairman; Louis J. Garr, Jr., exec. v.p. & gen. counsel; R. Dean Wolfe, exec. v.p.-real estate; Jerome T. Loeb, vice chairman & chief financial officer; John F. Danahy, sr. v.p.; Lonny J. Jay, sr. v.p.; Douglas J. Giles, sr. v.p.; J. Kent McHose, sr. v.p.; James F. Harner, sr. v.p.; Ken C. Hicks, sr. v.p.; Charles B. Luber, sr. v.p.; Frank J. Williams, Jr., v.p.-public afairs & senior counsel; Jan R. Kniffen, v.p. & treasurer; Richard A. Brickson, senior counsel & secretary; James Abrams, v.p.-corporate communications; William M. Goddard, v.p.-risk management and insurance; James R. Bodemuller, v.p.-merchandise information systems; Frank D. Gunter, v.p.-taxes; Laurence M. Hellman, v.p.-merchandise research; Stephen J. Lourie, v.p.-executive development; Henry A. Wagner, v.p.-EDP Systems Development; Robert L. McDowell, v.p.-corp. development; Ruth A. Streit, v.p.-compensation and benefits; Barry S. Silver, v.p.-audit; Joel G. Rebmann, v.p.-credit; Gene E. Bauer, v.p.-exeuctive recruiting; Mark J. Weikel, v.p.-planning & analysis; Stephen J. Hinderberger, v.p.-capital planning & analysis; Mark E. Hood, v.p.-accounting and reporting; John E. White, v.p.-merchandise distribution; Ronald P. Douglass, v.p.-real estate asset management.

**Directors:** Richard R. Shinn, David C. Farrell, Lawrence E. Honig, Helene L. Kaplan, Edward H. Meyer, Thomas A. Hays, Russell E. Palmer, William P. Stiritz, Murray L. Weidenbaum, Andrall E. Pearson, Jerome T. Loeb, Richard L. Battram, Thomas S. Carroll, Paul Kolton, Martha T. Muse, Donald C. Platten.

**Business Activities:** Operates 297 department stores in 29 states and the District of Columbia; 73 Venture discount stores in the Midwest; 119 Caldor discount shoe stores in the Northeast; and 2,602 Volume Shoe stores in 43 states.

**Divisions:**

Lord & Taylor
New York, New York

Robinson's
Los Angeles, California

L.S. Ayres
Indianapolis, Indiana

Sibley's
Rochester, New York

May D. F.
Denver, Colorado

Caldor, Inc.
Norwalk, Connecticut

Hecht's
Baltimore, Maryland, Washington, D.C.

May Company, Ohio
Cleveland, Ohio

G. Fox
Hartford, Connecticut

Kaufmann's
Pittsburgh, Pennsylvania

Meier & Frank
Portland, Oregon

Venture Stores
St. Louis, Missouri

Volume Shoe Corporation
Topeka, Kansas

Famous-Barr
St. Louis, Missouri

May Company, California
Los Angeles, California
San Diego, California

May Merchandising Corporation, New York
May Department Stores International, Inc.
The May Design and Construction Company, St. Louis

Foley's
1110 Main Street
Houston, Texas 77001
(713) 651-7038
Operates 34 department stores in Texas, Oklahoma, and New Mexico.

Filene's
426 Washington Street
Boston, Massachusetts 02101
(617) 357-2978
Operates 18 department stores in six northeastern states.

**Transfer Agent(s):**

Boatmen's Trust Company
P.O. Box 14768
St. Louis, Missouri 63178

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** MA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 3,091 | 1986 | 2,074 |
| 1988 | 2,960 | 1985 | 1,864 |
| 1987 | 2,877 | | |

**Sales & Earnings**

| | Revenues ‡ (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 11,742,000 | $ 534,000 |
| 1987 | 10,199,000 | 444,000 |
| 1986 | 9,977,000 | 381,000 |
| 1985 | 9,168,000 | 347,000 |
| 1984 | 8,509,000 | 327,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 147,000,000 | $ 3.63 |
| 1987 | 151,900,000 | 2.90 |
| 1986 | 154,800,000 | 2.44 |
| 1985 | 156,000,000 | 2.20 |
| 1984 | 155,900,000 | 2.10 |

‡ Of continuing operations only; includes rental revenues.
\# Based on the average number of shares outstanding adjusted to reflect stock splits.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Department stores | $ 7,742,000 | $ 6,415,000 |
| Caldor | 1,574,000 | 1,511,000 |
| Venture | 1,294,000 | 1,208,000 |
| Volume Shoe | 1,132,000 | 1,065,000 |
| Total | $ 11,742,000 | $ 10,199,000 |

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.25 | — | — |
| 1987 | 1.12 | — | — |
| 1986 | 1.02 | — | 2-for-1 |
| 1985 | 0.92 | — | — |
| 1984 | 0.78 | — | 3-for-2 |

\+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity (000's) | Equity Per share ‡ |
|---|---|---|
| 1988 | $ 3,050,000 | $ 21.50 |
| 1987 | 2,723,000 | 18.26 |
| 1986 | 2,595,000 | 17.01 |
| 1985 | 2,346,000 † | 15.73 |
| 1984 | 2,095,000 † | 14.50 |

† After allowing for preferred stock at par value.
‡ Adjusted to reflect stock splits.

**Income Account ***
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales and rental revenues | $ 11,742,000 | $ 10,199,000 |
| Cost of sales | 8,453,000 | 7,402,000 |
| Expenses | 2,279,000 | 1,952,000 |
| Interest expense | 229,000 | 110,000 |
| Income before taxes | $ 781,000 | $ 735,000 |
| Income taxes | 278,000 | 295,000 |
| Inc. - cont. oper. | $ 503,000 | $ 440,000 |
| Inc. - discont. oper. | 31,000 | 4,000 |
| Net Income | $ 534,000 | $ 444,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $330,000,000 in 1988 and $270,000,000 in 1987.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & market secur. | $ 124,000 | $ 172,000 |
| Accts. receiv., net | 2,160,000 | 1,670,000 |
| *Inventories | 1,788,000 | 1,481,000 |
| Other curr. assets | 96,000 | 58,000 |
| Current assets | $ 4,168,000 | $ 3,381,000 |
| #Fixed assets | 3,106,000 | 2,632,000 |
| Goodwill | 628,000 | 79,000 |
| Other assets | 242,000 | 89,000 |
| Total Assets | $ 8,144,000 | $ 6,181,000 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 160,000 | $ 42,000 |
| Accounts payable | 1,075,000 | 906,000 |
| Accruals | 747,000 | 534,000 |
| Income taxes | 92,000 | 78,000 |
| Curr. Liabilities | $ 2,074,000 | $ 1,560,000 |

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig. | 2,483,000 | 1,192,000 |
| Def. inc. taxes | 360,000 | 404,000 |
| Def. invest. tax credit | 40,000 | 51,000 |
| Other liabilities | 137,000 | 251,000 |
| +Common stock | 149,000 | 149,000 |
| Add. paid-in capital | 18,000 | 41,000 |
| Retained earnings | 2,883,000 | 2,533,000 |
| Total Liabilites & Shareholders' Equity | $ 8,144,000 | $ 6,181,000 |

° At lower of cost or market. Stated at LIFO cost for dept. and discount stores; all others at FIFO.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 17.51 | 16.31 |
| Debt to Equity | 0.87 | 0.45 |
| Working Capital | $ 2,094,000,000 | $ 1,821,000,000 |
| Current Ratio | 2.01 | 2.17 |
| Shareholders' Equity | $ 3,050,000,000 | $ 2,723,000,000 |

## Mayfair Super Markets, Inc.

681 Newark Avenue
Elizabeth, New Jersey 07208
(201) 352-6400

**Officers:** Stanley P. Kaufelt, chairman of the board, president & chief executive officer; Frank Curci, v.p.-finance & chief financial officer; Charles M. Criscuolo, v.p.-store operations; Richard Cantolino, v.p.-engineering; Paul Cona, v.p.-loss prevention; Jacqueline Keller, v.p.-marketing & communications; Robert Behrens, v.p.-produce merchandising; H. Anthony Kluxen, III, v.p.-grocery merchandising; Harry Pappas, v.p.-meat merchandising; Florence Kaufelt, secretary.

**Directors:** Stanley P. Kaufelt, chairman of the board; Robert Kaufelt, Jonathan Kaufelt, Jacqueline Keller.

**Business Activities:** Operates a chain of 42 Foodtown supermarkets throughout New Jersey.

**Transfer Agent(s):**

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey 08817

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MYFRA (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 42 | 1985 | 32 |
| 1987 | 40 | 1984 | 31 |
| 1986 | 33 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988° | $ 573,767,000 | $ 12,873,000 |
| 1987 | 488,101,000 | 9,795,000 |
| 1986 | 431,591,000 | 6,784,000 |
| 1985 | 360,783,179 | 4,090,842 |
| 1984 | 323,880,830 | 1,214,980 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1988° | 7,837,977 | $ 1.64 |
| 1987 | 7,819,644 | 1.25 |
| 1986 | 7,820,396 | 0.87 |
| 1985 | 7,791,862 | 0.53 |
| 1984 | 7,995,040 | 0.16 |

° 53 weeks.
+ Based on the weighted average number of Class A and Class B common shares outstanding adjusted to reflect recapitalization and stock splits.
‡ Based on the weighted average number of Class A common shares outstanding adjusted to reflect recapitalization and stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.01 | — | |
| 1986 | 0.02 | — | 2-for-1 |
| 1985 | 0.02 | — | 3-for-2 |
| 1984 | 0.02 | — | — |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 43,266,000 | $ 5.52 |
| 1987 | 30,174,000 | 3.86 |
| 1986 | 20,441,000 | 2.61 |
| 1985 | 13,783,413 | 1.77 |
| 1984 | 9,635,539 | 1.21 |

‡ Based on the weighted average number of Class A and Class B common shares outstanding adjusted to reflect recapitalization and stock splits.

**Income Account**

| Year ended | 9/3/88 (53 weeks) | 8/29/87 |
|---|---|---|
| Net sales | $ 573,767,000 | $ 488,101,000 |
| Cost of sales | 428,667,000 | 366,264,000 |
| Expenses | 112,970,000 | 94,347,000 |
| Depreciation & amortization | 9,402,000 | 7,070,000 |
| Other income | (1,561,000) | (1,685,000) |
| Interest expense | 4,123,000 | 3,202,000 |
| Income before taxes | $ 20,166,000 | $ 13,903,000 |
| Income taxes | 8,153,000 | 9,108,000 |
| Cum. effect of acct. change | ($60,000) | — |
| Net Income | $ 12,873,000 | $ 9,795,000 |

**Assets**

| As of | 9/3/88 | 8/29/87 |
|---|---|---|
| Cash & cash equiv. | $ 5,904,000 | $ 5,196,000 |
| Short-term invest. | 5,022,000 | 4,280,000 |
| Accts & notes receiv., net | 2,959,000 | 2,714,000 |
| °Inventories | 19,879,000 | 13,245,000 |
| Prepaid expenses | 4,038,000 | 1,254,000 |
| Current Assets | $ 37,802,000 | $ 26,689,000 |
| Investments | 3,536,000 | 2,848,000 |
| #Fixed assets | 99,554,000 | 65,505,000 |
| Other assets | 4,922,000 | 2,060,000 |
| Total Assets | $ 145,814,000 | $ 97,102,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 838,000 | $ 1,854,000 |
| Cap. lease oblig., curr. | 1,142,000 | 1,133,000 |
| Accts. payable | 20,417,000 | 15,187,000 |
| Acct. pay. - rel. parties | 8,310,000 | 6,175,000 |
| Accruals | 7,234,000 | 6,945,000 |
| Def. inc. taxes | 1,227,000 | 1,201,000 |
| Curr. Liabilities | $ 39,168,000 | $ 32,495,000 |
| Long-term debt | 35,933,000 | 9,763,000 |
| Cap. lease oblig. | 24,295,000 | 22,210,000 |
| Deferred income taxes | 3,152,000 | 2,460,000 |
| +Class A Common Stock | 63,000 | 63,000 |
| +Class B Common stock | 15,000 | 15,000 |
| Add. paid-in capital | 926,000 | 707,000 |
| Retained earnings | 42,262,000 | 29,389,000 |
| Total Liabilites & Shareholders' Equity | $ 145,814,000 | $ 97,102,000 |

° At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.51 | 3.87 |
| %Net Income to Sales | 2.24 | 2.01 |
| %Net Income to Equity | 29.75 | 32.46 |
| Sales to Inventories | 28.86 | 36.85 |
| Debt to Equity | 1.44 | 0.74 |
| Shareholders' Equity | $ 43,266,000 | $ 30,174,000 |

## J.W. Mays, Inc.

510 Fulton Street
Brooklyn, New York 11201
(212) 624-7400

NOTE: Subsequent to the Company's fiscal year-end, it discontinued and disposed of the retail department store segment of its operations.

**Officers:** Max L. Shulman, chairman of the board & chief executive officer; Lloyd J. Shulman, president & chief operating officer; Alex Slobodin, exec. v.p. & treasurer; Melvin M. Kazdin, v.p.; Ward Lyke, Jr., v.p.-management information services; Salvatore Cappuzzo, secretary; Paul Greenblatt, controller & assistant secretary; Mark Greenblatt, asst. treasurer.

**Directors:** Lloyd J. Shulman°, Frank J. Angell°, Max L. Shulman°, Sylvia W. Shulman, Alex Slobodin°, Melvin Kazdin, Lewis D. Siegel, Jack Schwartz.

° Member of the Executive Committee

**Business Activities:** Operates three department stores in New York City which sell ready-to-wear clothing for the entire family, hardgoods, domestic, jewelry and furniture.

**Transfer Agent(s):**

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MAYS (NASDAQ)

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 72,591,413 | $ (1,800,726) |
| 1987 | 73,767,813 | 1,862,986 |
| 1986 | 76,607,725 | (1,078,535) |
| 1985 | 77,218,285 | (2,563,347) |
| 1984 | 80,270,504 | 1,631,466 |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 2,178,297 | $ — |
| 1987 | 2,178,297 | 0.86 |
| 1986 | 2,178,297 | — |
| 1985 | 2,178,297 | — |
| 1984 | 2,178,297 | 0.75 |

(Loss)
† Including extraordinary gains of $459,000 ($0.21 per share) in 1987 and $390,000 ($0.18 per share) in 1984.
‡ Based on the weighted average number of shares of common stock and common stock equivalents.

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 12,982,451 | $ 5.96 |
| 1987 | 14,783,177 | 6.79 |
| 1986 | 12,920,191 | 5.93 |
| 1985 | 13,998,726 | 6.43 |
| 1984 | 16,562,073 | 7.60 |

### Income Account

| Year end July 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 72,591,413 | $ 73,767,813 |
| Other income | 4,733,519 | 7,936,785 |
| Total income | $ 77,324,932 | $ 81,704,598 |
| Cost of sales | 56,254,336 | 56,344,166 |
| Expenses | 20,903,628 | 21,384,524 |
| Depreciation & amortization | 930,739 | 1,041,799 |
| Oper. income (loss) | $ (763,771) | $ 2,934,109 |
| Interest expense | 843,330 | 976,063 |
| Other expenses | 7,625 | 12,060 |
| Income (loss) before taxes | $ (1,614,726) | $ 1,945,986 |
| Income taxes | 186,000 | 542,000 |
| Net Income (Loss) | $ (1,800,726) | $ 1,403,986 |
| Extraord. gain | — | 459,000 |
| Net Income (Loss) & extraord. gain | $ (1,800,726) | $ 1,862,986 |

### Assets

| As of July 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 1,714,694 | $ 1,679,189 |
| Temp. cash invest. | 154,657 | 153,878 |
| Accts. receiv., net | 658,192 | 737,470 |
| Prepaid taxes | 10,614 | 10,614 |
| *Inventories | 7,382,768 | 7,033,261 |
| Prepaid expenses | 1,568,063 | 1,468,401 |
| Current Assets | $ 11,488,988 | $ 11,082,813 |
| #Fixed assets | 19,174,541 | 19,373,944 |
| Defer. charges | 1,307,551 | 1,472,332 |
| Total Assets | $ 31,971,080 | $ 31,929,089 |

### Liabilities

| | | |
|---|---|---|
| Loan payable | $ 3,000,000 | $ 3,000,000 |
| Long-term debt, curr. | 877,041 | 1,024,700 |
| Cap. lease oblig., curr. | 61,359 | 75,006 |
| Accts. payable | 9,115,608 | 5,242,434 |
| Customers' deposits | 96,006 | 83,324 |
| Accrued payroll | 1,100,642 | 1,131,614 |
| Inc. taxes payable | 110,267 | 1,344 |
| Misc. taxes | 545,404 | 539,263 |
| Curr. Liabilities | $ 13,906,327 | $ 11,097,885 |
| Long-term debt | 4,858,112 | 5,762,477 |
| Cap. lease oblig. | 224,190 | 285,550 |
| +Common stock | 2,178,297 | 2,178,297 |
| Add. paid-in capital | 3,346,245 | 3,346,245 |
| Retained earnings | 7,457,909 | 9,258,635 |
| Total Liabilities & Shareholders' Equity | $ 31,971,080 | $ 31,929,089 |

* At lower of cost (58% at net invoice cost, remainder at retail inventory method) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income before Taxes to Sales | — | 2.64 |
| %Net Income to Sales | — | 1.90 |
| %Net Income to Equity | — | 9.50 |
| Sales to Inventories | 9.83 | 10.49 |
| Debt to Equity | 0.45 | 0.46 |
| Shareholders' Equity | $ 12,982,451 | $ 14,783,177 |

## MCA INC.

100 Universal City Plaza
Universal City, California 91608
(818) 777-1000

445 Park Avenue
New York, New York 10022
(212) 759-7500

**Officers:** Lew R. Wasserman, chairman of the board & chief executive officer; Sidney Jay Sheinberg, president & chief operating officer; Thomas Wertheimer, exec. v.p.; Irving Azoff, v.p. & chairman-Music Entertainment Group; Richard E. Baker, v.p. & controller; James N. Fiedler, v.p. & president-Discovision Associates; Lawrence P. Fraiberg, v.p. & president-MCA Broadcasting Group; Phyllis E. Grann, v.p. & president-The Putnam Publishing Group; Harold M. Haas, v.p., treasurer & chief financial officer; Robert D. Hadl, v.p. & general counsel; Stuart K. Mandel, v.p.-industrial relations; Stanley Newman, v.p. & president-Consumer Products Group; Charles S. Paul, v.p. & president-MCA Enterprises; Thomas Pollock, v.p. & chairman-Motion Picture Group; Alvin Rush, v.p. & chairman-MCA Television Group; Michael Samuel, v.p. & secretary; Daniel E. Slusser, v.p., & sr. v.p. and gen. mgr.-Universal Studios; George Smith, v.p. & general tax counsel; Lawrence D. Spungin, v.p. & president-MCA Development; Jay S. Stein, v.p. & president-MCA Recreation Services Group; Alvin N. Teller, v.p. & president-MCA Records; Pamela F. Cherney, asst. treasurer; Dennis F. Dallara, asst. controller; Christine R. Hanson, asst. secretary; Richard C. Schiller, asst. secretary.

**Directors:** Lew R. Wasserman*, chairman; Sidney Jay Sheinberg*, Howard P. Allen, Mary Gardiner Jones, Thomas V. Jones, Felix G. Rohatyn, Robert S. Strauss, Thomas Wertheimer*.

* Member of the Executive Committee

**Business Activities:** Engaged in production and distribution of theatrical, nontheatrical, television and home video products; operation of a tour of the company's motion picture studio; merchandising and publishing of film properties; manufacture and distribution of recorded music, music publishing, retail and mail order gift merchandising, development and marketing of toy production, television broadcasting, recreation services, and book publishing; Spencer Gifts a retail and mail order subsidiary headquartered in Atlantic City, New Jersey, operates Spencer Gifts retail gift stores, Intrigue jewelry stores and kiosks and A2Z-The Best of Everything Stores, located throughout the United States. Spencer Gifts sells a wide variety of specialty merchandise purchased from both domestic and foreign manufacturers, including notions, novelties, housewares, stationery, home decorations, cosmetics, jewelry, plus a variety of other products for home, office, personal use and gifts.

**Divisions and Subsidiaries:**

Universal City Studios Inc.
MCA Corporate Films
MCA Records, Inc.
Miller International Schallplatten G.m.b.H
Spencer Gifts, Inc.
Nebo Versand G.m.b.H.
Yosemite Park and Curry Co.
The Putnam Publishing Group, Inc.
Jove Publications, Inc.
Coward-McCann, Inc.
Cinema International Corporation N.V. (49% owned)
MCA New Ventures,Inc.
MCA Distributing Corporation
Berkley Publishing Corporation
Duchess Music Corporation
Leeds Music Corporation
MCA Music Limited
Charter Communications, Inc.
Grosset & Dunlap, Inc.
MCA Home Video, Inc.
MCA Cable Services, Inc.
MCA Artists (England) Limited
MCA Canada Ltd.
MCA Videodisc, Inc.
MCA Filmes Do Brasil Ltda.
MCA International B.V.
MCA Television Limited
Merchandising Corporation of America, Inc.
Richard Marek, Publishers, Inc.
Universal City Property Management Company
Universal Film Exchanges, Inc.
Universal International Films, Inc.
Universal Pay Television, Inc.
Universal City Consultants, Ltd.
Walter Lantz Productions
Yosemite Park and Curry Company
LJN Toys, Ltd.
Winterland Concessions Company

**Transfer Agent(s):**

The Chase Manhattan Bank, N.A.
1 New York Plaza
14th Floor
New York, New York 10081

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** MCA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988* | 430 | 1985 | 497 |
| 1987 | N.A. | 1984 | 454 |
| 1986 | 542 | | |

N.A. - Not Available.
*Spencer Gift stores only.

### Sales & Earnings

| | Revenues (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 3,023,672 | $ 164,916 |
| 1987 | 2,589,623 | 137,254 |
| 1986 | 2,438,394 | 150,904 |
| 1985 | 2,098,525 | 149,959 |
| 1984 | 1,651,242 | 94,937 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 72,982,254 | $ 2.26 |
| 1987 | 75,473,188 | 1.82 |
| 1986 | 76,718,875 | 1.97 |
| 1985 | 74,122,508 | 2.02 |
| 1984 | 72,821,877 | 1.30 |

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

### Revenues by Line of Business (000's)

| | 1988 | 1987 |
|---|---|---|
| Film entertainment | $ 1,496,966 | $ 1,330,288 |
| Records & music | 661,028 | 477,493 |
| Retail & mail order | 312,846 | 319,950 |
| Book publishing | 175,934 | 158,964 |
| Toy products | 123,333 | 110,518 |
| Broadcasting & cable | 131,520 | 88,264 |
| Other operations | 122,045 | 104,146 |
| Total | $ 3,023,672 | $ 2,589,623 |

### Common Stock

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.68 | — | — |
| 1987 | 0.68 | — | |
| 1986 | 0.68 | — | — |
| 1985 | 0.61 | — | 3-for-2 |
| 1984 | 0.59 | — | — |

+ Adjusted to reflect stock split.

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 1,691,732,000 | $ 23.17 |
| 1987 | 1,557,630,000 | 21.42 |
| 1986 | 1,578,094,000 | 20.83 |
| 1985 | 1,400,761,000 | 18.69 |
| 1984 | 1,221,935,000 | 16.74 |

**Income Account ***

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Revenues | $ 3,023,672 | $ 2,589,623 |
| Cost of sales & expenses | 2,686,058 | 2,361,267 |
| Corp., general & adm. | 20,041 | 16,057 |
| Interest expense (income) | 4,092 | (21,991) |
| Interest expense | 74,565 | 43,436 |
| Income bef. taxes | $ 238,916 | $ 190,854 |
| Income taxes | 74,000 | 53,600 |
| Net Income | $ 164,916 | $ 137,254 |

* Included in Costs and Expenses, Depreciation and Amortization: $48,680,000 in 1988 and $43,913,000 in 1987.

**Assets (000's)**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 190,186 | $ 103,181 |
| Receiv., net | 955,361 | 663,918 |
| Film costs | 483,551 | 379,099 |
| *Inventories | 207,683 | 209,112 |
| Prepaid expenses | 117,606 | 134,314 |
| Current Assets | $ 1,954,387 | $ 1,489,624 |
| #Fixed assets | 449,619 | 385,248 |
| Other assets | 1,711,042 | 1,679,120 |
| Total Assets | $ 4,115,048 | $ 3,553,992 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Notes payable | $ 25,000 | $ — |
| Accts. payable & accruals | 424,718 | 327,711 |
| Accrued payroll | 337,852 | 302,262 |
| Def. film revenues | 77,569 | 39,229 |
| Income taxes | 19,747 | 28,024 |
| Curr. Liabilities | $ 884,886 | $ 697,226 |
| Long-term debt | 1,236,547 | 1,008,285 |
| Accrued comp. | 106,801 | 107,632 |
| Other liabilities | 104,082 | 77,219 |
| Deferred taxes | 91,000 | 106,000 |
| +Common stock | 472,992 | 459,171 |
| Retained earnings | 1,454,010 | 1,338,720 |
| Treasury stock | (235,270) | (240,261) |
| Total Liabilities & Shareholders' Equity | $ 4,115,048 | $ 3,553,992 |

* At lower of cost (FIFO) or estimated realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 7.90 | 7.37 |
| %Net Income to Revenues | 5.45 | 5.30 |
| %Net Income to Equity | 9.75 | 8.81 |
| Debt to Equity | 0.75 | 0.65 |
| Working Capital | $ 1,069,501,000 | $ 792,398,000 |
| Current Ratio | 2.21 | 2.14 |
| Shareholders' Equity | $ 1,691,732,000 | $ 1,557,630,000 |

## Meadowdale Foods, Inc.

8711 Meadowdale
Detroit, Michigan 48228
(313) 943-3300

NOTE: The Company was taken private in a leveraged buyout on July 22, 1987.

**Officers:** David K. Page, chairman of the board & chief executive officer; Lon D. Makanoff, president & chief operating officer; Joseph Mocnik, sr. v.p.-retail; Desmond DeFigueiredo, v.p.-information systems; Donald R. Gapp, v.p. & controller; David McQueen, v.p.-retail store operations; Larry J. Rasmussen, v.p.-real estate/store development; Dennis M. Siedlaczek, v.p.-wholesale warehousing; Lloyd Silberman, v.p.-administration & treasurer; Edward Sudzina, v.p.-wholesale sales & merchandising.

**Directors:** David K. Page, chairman; Lon D. Makanoff.

**Business Activities:** The Company operates 24 Great Scott! supermarkets in Michigan, and a wholesale division, Abner Wolf Distributors, which supplies independent grocery stores in Michigan and Ohio.

**Divisions:**

Great Scott! Supermarkets
Meadowdale Drug Company
Abner Wolf Distributors

## Medicine Shoppe International, Inc.

1100 North Lindbergh
St. Louis, Missouri 63132
(314) 993-6000

**Officers:** Mitchell Yanow, chairman of the board; Jerome F. Sheldon, president & chief executive officer; David A. Abrahamson, v.p.-finance & corp. secretary; James F. Atkinson, v.p.-marketing & strategic planning; Ronald T. Hofmeister, v.p.-store development; Jerry R. Darnell, v.p.-franchise sales.

**Directors:** Mitchell Yanow, chairman; Melvin F. Brown, Ira C. Gall, Donald P. Gallop, Aron Katzman, Leslie F. Loewe, Jerome F. Sheldon.

**Areas of Work:** Operates 737 franchised drugstores under the name "Medicine Shoppe" in the contiguous 48 states.

**Transfer Agent(s):**

The Boatmen's National Bank
100 North Broadway
St. Louis, Missouri 63102

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MSII (NASDAQ)

**Number of Stores:***

| | | | |
|---|---|---|---|
| 1988 | 737 | 1985 | 565 |
| 1987 | 698 | 1984 | 477 |
| 1986 | 641 | | |

*All stores are franchised.

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1988 | $ 23,726,000 | $ 5,957,000 |
| 1987 | 19,825,000 | 4,407,000 |
| 1986 | 16,981,000 | 3,565,000 |
| 1985 | 13,886,000 | 2,956,000 |
| 1984 | 11,308,000 | 2,235,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 5,357,016 | $ 1.11 |
| 1987 | 5,334,672 | 0.83 |
| 1986 | 5,320,196 | 0.67 |
| 1985 | 5,309,379 | 0.56 |
| 1984 | N.A. | 0.45 |

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 32,378,000 | $ 6.04 |
| 1987 | 26,186,000 | 4.91 |
| 1986 | 21,663,000 | 4.07 |
| 1985 | 17,959,000 | 3.38 |
| 1984 | 14,931,000 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended Sept. 30 | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Sales to franchisees | $ 5,903,218 | $ 4,745,031 |
| Franchise fees | 15,233,672 | 12,609,615 |
| Origination fees | 1,024,450 | 1,171,670 |
| Other income | 1,564,529 | 1,298,284 |
| Total incom. | $ 23,725,869 | $ 19,824,600 |
| Cost of sale | 5,106,170 | 4,160,096 |
| Expenses | 10,331,897 | 8,729,962 |
| Interest income | (635,734) | (524,537) |
| Income before taxes | $ 8,923,536 | $ 7,459,079 |
| Income taxes | 2,967,000 | 3,052,000 |
| Net Income | $ 5,956,536 | $ 4,407,079 |

* Included in Costs and Expenses, Depreciation and Amortization: $305,520 in 1988 and $175,735 in 1987.

**Assets**

| As of Sept. 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 885,121 | $ 1,711,923 |
| Short-term invest. | 13,323,860 | 10,150,159 |
| Invest. inc. receiv. | 175,825 | 163,334 |
| Accts. receiv., net | 4,463,282 | 3,445,505 |
| Finance notes & accrued int. receiv. | 1,202,000 | 810,000 |
| Notes & accrued int. receiv. | 999,125 | 971,375 |
| Other curr. assets | 1,008,727 | 825,664 |
| Current Assets | $ 22,057,940 | $ 18,077,960 |
| #Fixed assets | 2,094,393 | 1,081,312 |
| Other assets | 11,619,752 | 10,724,174 |
| Total Assets | $ 35,772,085 | $ 29,883,446 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 1,101,126 | $ 1,139,784 |
| Accrued bonuses | 287,000 | 276,000 |
| Accrued Gold prog. exp. | 499,607 | 435,000 |
| Accrued inc. taxes | 318,006 | 310,122 |
| Accrued profit-sharing | 45,045 | 40,261 |
| Other accruals | 95,783 | 138,539 |
| Curr. Liabilities | $ 2,346,567 | $ 2,339,706 |
| Deposits | 43,185 | 43,295 |
| Deferred inc. taxes | 41,000 | 126,000 |
| Deferrod orig. fee inc. | 963,194 | 1,189,527 |
| +Common stock | 53,822 | 53,411 |
| Add. paid-in capital | 12,124,999 | 11,622,086 |
| Retained earnings | 20,199,318 | 14,510,421 |
| Total Liabilities & Shareholders' Equity | $ 35,772,085 | $ 29,883,446 |

# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 37.61 | 37.63 |
| %Net Income to Revenues | 25.11 | 22.23 |
| %Net Income to Equity | 18.40 | 16.83 |
| Working Capital | $ 19,711,373 | $ 15,738,254 |
| Current Ratio | 9.40 | 7.73 |
| Shareholders' Equity | $ 32,378,139 | $ 26,185,918 |

## Melville Corporation

3000 Westchester Avenue
Harrison, New York 10528
(914) 253-8000

**Officers:** Stanley P. Goldstein, chairman of the board, president & chief executive officer; Robert D. Huth, exec. v.p. & chief financial officer; Michael Friedheim, executive v.p.; Larry A. McVey, v.p.; Ira H. Peterman, v.p.; Norman Axelrod, v.p.; Harvey Rosenthal, v.p.; John I. Mitchell, Jr., Daniel B. Katz, v.p.; Saul Rubenstein, v.p.; Shahid Qureshi, v.p. & controller; Francis H. Arnone, v.p.; John M. Robinson, v.p.; Stewart H. Brown, Jr., v.p.; Richard C. Ricalde, v.p.; Joel N. Waller, v.p.; William C. Kingsford, v.p.; James A. Marcum, treasurer; Arthur V. Richards, secretary & gen. attorney; Kenneth A. DellaRocco, asst. secretary & asst. general attorney; Raymond R. Moore, asst. secretary; James E. Alward, asst treasurer; Roger E. Haggerty, asst. treasurer; Philip C. Galbo, asst. treasurer.

**Directors:** Stanley P. Goldstein*, chairman; Francis C. Rooney, Jr*, John G. Creedon, M. Cabell Woodward, Jr.*, Frank Melville, Hyman L. Battle, Jr., Donald F. McCullough, James W. McKee, Jr., Michael A. Friedheim, Michael H. Jordan*, Theodore Levitt, Robert D. Huth.

* Member of the Executive Committee

**Business Activities:** Operates shoe stores under the names of Thom McAn and Fan Club; leased self-service shoe departments (Meldisco) with units located primarily in K-Mart stores; Marshalls, a retail chain that sells brand name apparel for men, women and children; Chess King, a men's apparel specialty merchandising chain concentrating on the 14-to-22 year old market; Wilsons, a retailer of leather apparel for men and women under the names "Wilsons," "Bermans" and "Tannery West"; and Accessory Lady, a retailer of women's fashion accessories. Operates drug, health and beauty aid specialty stores under the names Consumer Value Stores (CVS) and Freddy's. Operates Kay-Bee Toy and Hobby Shops. Operates home furnishings stores through Linens 'n Things, which retails brand name linens and towels; This End up Furniture Company, which retails popular priced casual furniture; and Prints Plus, which retails prints and posters.

**Divisions and Subsidiaries:**

**Thom McAn Shoe Company**

Melville Realty Company, Inc.
3000 Westchester Avenue
Harrison, New York 10528

Meldisco
933 Macarthur Boulevard
Mahwah, New Jersey 07430

Kay-Bee Toy & Hobby Shops, Inc.
100 West Street
Pittsfield, Massachusetts 01201

Fan Club
125 Hartwell Street
West Boylston, Massachusetts 01583

Consumer Value Stores
One CVS Drive
Woonsocket, Rhode Island 02895

Marshalls, Inc.
83 Commerce Way
Woburn, Massachusetts 01888

Chess King
350 Fifth Avenue
New York, New York 10118

Melville (Europe) Purchasing Ltd.
69, V.le F.lli Rosselli
Florence, 50144, Italy

Wilsons House of Suede, Inc.
11840 Olympic Boulevard
Los Angeles, California 90064

Linens 'n Things, Inc.
6 Brighton Road
Clifton, New Jersey 07015

FNS Sales, Inc. (Freddy's)
90 Commerce Drive
Rochester, New York 14623

This End Up Furniture Company
1309 Exchange Alley
Richmond, Virginia 23219

Prints Plus, Inc.
2500 Bisso Lane
Building 200
Concord, California 94520

Accessory Lady, Inc.
11252 Leo Lane
P.O. Box 299008
Dallas, Texas 75229

**Acquisitions:**

Bermans Specialty Stores, Inc.
Operates 195 leather apparel stores primarily in the Midwest.

Tannery West
Operates 28 fashion leather apparel stores.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
Stock Transfer Department
450 West 33rd Street
New York, New York 10001

**Stock Exchange(s):** New York

**Ticker Symbol:** MES

**Number of Stores:** (at fiscal year end)

| | Leased shoe dept's. | Apparel |
|---|---|---|
| 1988 | 2,152 | 1,414 |
| 1987 | 2,112 | 1,106 |
| 1986 | 2,094 | 973 |
| 1985 | 2,062 | 911 |
| 1984 | 2,055 | 1,575 |

| | Shoe stores | Health & beauty |
|---|---|---|
| 1988 | 1,047 | 770 |
| 1987 | 1,097 | 712 |
| 1986 | 1,129 | 640 |
| 1985 | 1,150 | 599 |
| 1984 | 1,193 | 555 |

| | Toy & hobby | Household furnishings |
|---|---|---|
| 1988 | 727 | 430 |
| 1987 | 676 | 414 |
| 1986 | 639 | 358 |
| 1985 | 584 | 268 |
| 1984 | 533 | — |

**Sales & Earnings**

| | Net Sales + (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 6,780,359 | $ 354,510 |
| 1987 | 5,930,283 | 285,384 |
| 1986 | 5,262,364 | 238,332 |
| 1985 | 4,774,860 | 210,812 |
| 1984 | 4,261,627 | 190,386 |

| | No. of Com. Shares # | Earn. per Share ‡ |
|---|---|---|
| 1988 | 109,011,268 | $ 3.26 |
| 1987 | 108,734,562 | 2.63 |
| 1986 | 108,465,988 | 2.20 |
| 1985 | 108,099,990 | 1.95 |
| 1984 | 105,715,764 | 1.80 |

+ Of continuing operations only.
# Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1988 (000's) | % | 1987 (000's) | % |
|---|---|---|---|---|
| Footwear | $1,632,346 | 24.1% | $1,554,001 | 26.2% |
| Drug, health & beauty aids | 1,817,916 | 26.8 | 1,489,381 | 25.1 |
| Apparel | 2,253,484 | 33.2 | 2,003,766 | 33.8 |
| Toys & household furn. | 1,076,613 | 15.9 | 883,135 | 14.9 |
| Total | $6,780,359 | 100.0% | $5,930,283 | 100.0% |

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.05 | — | 2-for-1 |
| 1987 | 0.88 | — | |
| 1986 | 0.78 | — | — |
| 1985 | 0.72 | — | — |
| 1984 | 0.66 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 1,706,263,000 | $ 15.65 |
| 1987 | 1,458,586,713 | 13.41 |
| 1986 | 1,263,004,318 | 11.64 |
| 1985 | 1,102,204,881 | 10.20 |
| 1984 | 954,778,185 | 9.03 |

‡ Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 6,780,359 | $ 5,930,283 |
| Cost of sales | 4,085,618 | 3,567,823 |
| Expenses | 2,023,034 | 1,766,854 |
| Depreciation & Amortization | 82,228 | 72,032 |
| Interest expense (income) | (916 | 1,012 |
| Other expenses | 4,790 | 3,961 |
| Income before taxes | $ 585,605 | $ 518,601 |
| Income taxes | 187,961 | 190,721 |
| Minority interest | 43,134 | 42,496 |
| Net Income | $ 354,510 | $ 285,384 |

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 298,352 | $ 425,012 |
| Accts. receiv., net | 111,102 | 82,883 |
| *Inventories | 1,200,923 | 1,006,234 |
| Prepaid expenses | 83,246 | 57,650 |
| Current Assets | $ 1,693,623 | $ 1,571,779 |

| | | |
|---|---|---|
| Prop. leased under cap. leases | 31,871 | 34,543 |
| #Fixed assets | 661,039 | 531,535 |
| Defer. charges & other assets | 42,856 | 30,948 |
| Intangibles | 306,763 | 145,444 |
| Total Assets | $ 2,736,152 | $ 2,314,249 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 7,403 | $ 3,031 |
| Cap. lease oblig., curr. | 3,471 | 3,160 |
| Accts. payable | 413,025 | 326,507 |
| Accruals | 319,484 | 258,013 |
| Income taxes | 80,215 | 61,146 |
| Curr. Liabilities | $ 823,598 | $ 651,857 |
| Long-term debt | 4,864 | 12,292 |
| Cap. lease oblig. | 43,287 | 45,916 |
| Lease oblig. for closed stores | 313 | 80 |
| Minority interest | 96,719 | 87,990 |
| Deferred inc. taxes | 59,381 | 55,490 |
| +Redeem. pref. stock | 1,727 | 2,037 |
| ++Common stock | 109,011 | 54,367 |
| Add. paid-in capital | — | 46,108 |
| Retained earnings | 1,597,252 | 1,358,112 |
| Total Liabilities & Shareholders' Equity | $ 2,736,152 | $ 2,314,249 |

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; $4.00 cumulative.
++ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 8.64 | 8.74 |
| %Net Income to Sales | 5.23 | 4.81 |
| %Net Income to Equity | 20.78 | 19.57 |
| Sales to Inventories | 5.65 | 5.89 |
| Debt to Equity | 0.03 | 0.04 |
| Working Capital | $ 870,025,000 | $ 919,922,096 |
| Current Ratio | 2.06 | 2.62 |
| Shareholders' Equity | $ 1,706,263,000 | $ 1,458,586,713 |

## Mercantile Stores Company, Inc.

1100 North Market Street
Wilmington, Delaware 19801
(302) 575-1816

**Officers:** Leon F. Winbigler, chairman of the board; James C. Lovell, president; Harold W. Jockers, chairman of the exec. committee; David R. Huhn, exec. v.p.; William A. Heinemann, v.p. & treasurer; LeRoy J. Sheldon, v.p.; Roger A. Henry, v.p.; William A. Carr, controller; Dennis F. Murphy, secretary.

**Directors:** John A. Herdeg, Harold W. Jockers*, James C. Lovell*, Gerriah H. Milliken*, Minot K. Milliken*, Roger Milliken*, George S. Moore, Leon F. Winbigler*, Rene C. McPherson, Francis G. Rodgers, H. Keith Brodie, David R. Huhn.

* Member of the Executive Committee

**Business Activities:** Operates 12 chains of general merchandise department stores, as well as 16 free-standing beauty salons.

**Divisions:**

Bacons
Louisville, Kentucky

Castner Knott Co.
Nashville, Tennessee

de Lendrecie's
Fargo, North Dakota

Gayfers
Mobile, Alabama

Glass Block
Duluth, Minnesota

Hennessy's
Billings, Montana

The Jones Store Co.
Kansas City, Missouri

Joslins
Denver, Colorado

Lion
Toledo, Ohio

McAlpin's
Cincinnati, Ohio
Lexington, Kentucky

Root's
Terre Haute, Indiana

J. B. White
Augusta, Georgia
Columbia, South Carolina

**Subsidiaries:**

Mercantile Stores Company, Inc. (N.Y.)
128 West 31st Street
New York, New York 10001
Central buying and administrative offices.

**Transfer Agent(s):**

Harris Trust Company of New York
77 Water Street
New York, New York 10005

**Stock Exchange(s):** New York

**Ticker Symbol:** MST

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 80 | 1986 | 80 |
| 1988 | 79 | 1985 | 78 |
| 1987 | 82 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1989 | $ 2,265,500 | $ 144,462 |
| 1988 | 2,155,653 | 129,556 |
| 1987 | 2,028,202 | 111,065 |
| 1986 | 1,880,039 | 102,448 |
| 1985 | 1,706,904 | 84,769 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1989 | 36,887,000 | $ 3.92 |
| 1988 | 36,844,000 | 3.52 |
| 1987 | 36,845,000 | 3.01 |
| 1986 | 36,845,000 | 2.78 |
| 1985 | 36,845,000 | 2.30 |

† Adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.775 | — | — |
| 1988 | 0.675 | — | |
| 1987 | 0.58 | — | — |
| 1986 | 0.51 | — | — |
| 1985 | 0.46 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity (000's) | Equity Per Share † |
|---|---|---|
| 1989 | $ 980,875 | $ 26.62 |
| 1988 | 872,335 | 23.68 |
| 1987 | 767,728 | 20.84 |
| 1986 | 678,034 | 18.40 |
| 1985 | 594,377 | 16.13 |

† Adjusted to reflect stock split.

**Income Account * (000's)**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 2,265,500 | $ 2,155,653 |
| Cost of sales | 1,551,484 | 1,476,327 |
| Expenses | 480,225 | 451,885 |
| Interest expense | 23,076 | 22,971 |
| Interest income | (3,934) | (3,268) |
| Other income | (22,021) | (19,402) |
| Income bef. taxes | $ 236,670 | $ 227,140 |
| Income taxes | 92,208 | 97,584 |
| Net Income | $ 144,462 | $ 129,556 |

* Included in Costs and Expenses, Depreciation and Amortization: $47,541,000 in 1988 and $47,141,000 in 1988.

**Assets (000's)**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 86,847 | $ 101,911 |
| Receiv., net | 625,199 | 588,510 |
| *Inventories | 362,037 | 332,175 |
| Prepaid expenses | 6,222 | 5,282 |
| Current Assets | $ 1,080,305 | $ 1,027,878 |
| Investments | 16,009 | 14,993 |
| #Fixed assets | 355,438 | 310,486 |
| Total Assets | $ 1,451,752 | $ 1,353,357 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 8,133 | $ 7,926 |
| Dividends payable | 7,369 | — |
| Accts. payable | 84,540 | 81,109 |
| Accrued inc. taxes | 36,752 | 34,178 |
| Accrued payroll | 25,771 | 24,276 |
| Def. income taxes | 25,075 | 18,239 |
| Other curr. liab. | 45,826 | 44,701 |
| Curr. Liabilities | $ 233,466 | $ 210,429 |
| Long-term debt | 197,058 | 205,241 |
| Due to affil. cos. | 18,602 | 19,942 |
| Deferred inc. taxes | 21,751 | 45,410 |
| +Common stock | 5,403 | 5,403 |
| Add. paid-in capital | 6,018 | 6,018 |
| Retained earnings | 969,454 | 860,914 |
| Total Liabilities & Shareholders' Equity | $ 1,451,752 | $ 1,353,357 |

* At LIFO cost which is lower than market.
# Less accumulated depreciation.
+ $0.14 2/3 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.45 | 10.54 |
| %Net Income to Sales | 6.38 | 6.01 |
| %Net Income to Equity | 14.73 | 14.85 |
| Sales to Inventories | 6.26 | 6.49 |
| Debt to Equity | 0.21 | 0.24 |
| Working Capital | $ 846,839,000 | $ 817,449,000 |
| Current Ratio | 4.63 | 4.88 |
| Shareholders' Equity | $ 980,875,000 | $ 872,335,000 |

## Merry-Go-Round Enterprises, Inc.

3300 Fashion Way
Joppa, Maryland 21085
(301) 538-1000

**Officers:** Harold Goldsmith, chairman; Michael D. Sullivan, president and chief executive officer; Leonard Weinglass, vice chairman; Isaac Kaufman, senior vice president, chief financial officer, secretary & treasurer; Robert L. Heyman, vice president-warehousing; Frank C. Peters, vice president and controller; Marvin S. Rice, vice president-store design and construction; Wayne J. Schuchart, vice president-management information systems; Barrie R. Wood, vice president-real estate; Myrna Villanueva, assistant controller; Paul D. Levine, president, Merry-Go-Round Division; George E. Kucin, v.p.-merchandising, Merry-Go-Round Division; Joseph R. VanderPluym, v.p.-store operations, Merry-Go-Round Division; Stuart M. Lucas, president, DJ's/Dejaiz/Attivo Division; Gary W. Gillan, v.p.-store operations, DJ's/Dejaiz/Attivo Division; Robert B. Simon, v.p.-store operations, DJ's Dajaiz/Attivo Division; Scott V. Collins, v.p.-merchandising, DJ's/Dejaiz/Attivo Division; Ken Rodriquez, president, Cignal Division; Gilbert Perrone, v.p.-store operations, Cignal Division.

**Directors:** Harold Goldsmith, chairman; Leonard Weinglass, Michael D. Sullivan, John F. Ireton, Thomas J. Byrne, Jr, Robert B. Bank.

**Business Activities:** The company is a major national specialty retailer of contemporary fashions for young men and women, with 482 stores in 33 states and the District of Columbia. The company's coctemporary fashions appeal to a broad consumer base that ranges in age from 15 to 35 years.

**Subsidiaries:**

Dejaiz (DJ's Fashion Center for Men)
Cignal

**Merry-Go-Round**

Attivo

**Acquisition:**

Casey & Osh, Inc.
Operated 27 retail clothing stores that primarily offered contemporary sportswear.

**Transfer Agents(s):**

Security Trust
Baltimore, Maryland

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** MGRE (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 482 | 1986 | 334 |
| 1988 | 432 | 1985 | 272 |
| 1987 | 388 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 298,938,000 | $ 11,160,000 |
| 1988 | 255,190,000 | 10,080,000 |
| 1987 | 207,483,000 | 7,485,000 |
| 1986 | 164,119,000 | 7,285,000 |
| 1985 | 158,088,000 | 9,825,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 9,615,000 | $ 1.16 |
| 1988 | 9,532,000 | 1.06 |
| 1987 | 9,531,000 | 0.79 |
| 1986 | 9,531,000 | 0.76 |
| 1985 | 9,495,000 | 1.03 |

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | — |
| 1985 | — | — | 3-for-2 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 63,795,000 | $ 6.68 |
| 1988 | 52,599,000 | 5.52 |
| 1987 | 42,484,000 | 4.46 |
| 1986 | 34,963,000 | 3.67 |
| 1985 | 27,642,000 | 2.89 |

‡ Adjusted to reflect stock splits

**Income Account***
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 298,938 | $ 255,190 |
| Cost of sales | 210,847 | 178,006 |
| Expenses | 68,832 | 58,369 |
| Interest exp. | 1,259 | 1,056 |
| Income before taxes | $ 18,000 | $ 17,759 |
| Income taxes | 6,840 | 7,679 |
| Net Income | $ 11,160 | $ 10,080 |

* Included in Costs and Expenses, Depreciation and Amortization: $12,169,000 in 1989 and $8,972,000 in 1988.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equiv. | $ 19,531 | $ 6,885 |
| Marketable securities | 1,501 | — |
| Accts. receiv., net | 4,352 | 1,410 |
| *Inventories | 29,930 | 21,221 |
| Prepaid expenses | 1,668 | 2,332 |
| Current Assets | $ 56,982 | $ 31,848 |
| #Fixed assets | 68,953 | 47,228 |
| Leasehold interest in prop. & equip. | 1,651 | 1,838 |
| Other assets | 356 | 205 |
| Total Assets | $ 127,942 | $ 81,119 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Cap. lease oblig., curr. | $ 185 | $ 181 |
| Accts. payable | 22,243 | 14,542 |
| Accruals | 10,328 | 7,073 |
| Income taxes | 557 | 1,212 |
| Curr. Liabilities | $ 33,313 | $ 23,008 |
| Long-term debt | 25,000 | — |
| Revolving credit loan | — | 720 |
| Cap. lease oblig. | 2,337 | 2,522 |
| Other liabilities | 3,497 | 2,270 |
| +Common stock | 95 | 95 |
| Add. paid-in capital | 964 | 964 |
| Retained earnings | 63,300 | 52,140 |
| Subscrip. receiv. | (564) | (600) |
| Total Liabilities & Shareholders' Equity | $ 127,942 | $ 81,119 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.02 | 6.96 |
| %Net Income to Sales | 3.73 | 3.95 |
| %Net Income to Equity | 17.49 | 19.16 |
| Sales to Inventories | 9.99 | 12.03 |
| Debt to Equity | 0.43 | 0.07 |
| Working Capital | $ 23,669,000 | $ 8,840,000 |
| Current Ratio | 1.71 | 1.38 |
| Shareholders' Equity | $ 63,795,000 | $ 52,599,000 |

## J. Michaels, Inc.

182 Smith Street
Brooklyn, New York 11201
(718) 852-6100

**Officers:** James Michaels, president; Francis Mavica, exec. v.p.; Edward P. Sullivan, exec. v.p.; Bernard Seidler, v.p.; Martin Kasman, secretary/treasurer.

**Directors:** James Michaels, Francis Mavica, Edward P. Sullivan, Melvin Feinbold, Lance Davis, Martin Kasman.

**Business Activities:** Operates six retail stores which sell furniture, bedding, floor coverings, television sets, stereo equipment and major appliances in the Brooklyn and Buffalo, New York, areas.

**Transfer Agent(s):**

American Stock Transfer and Trust Company
New York, New York

**Stock Exchange(s):** Over-the-Counter

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 6 | 1986 | 6 |
| 1987 | 6 | | |

**Sales & Earnings**

| | Revenues † | Net Income |
|---|---|---|
| 1988 | $ 11,582,016 | $ 1,046,402 |
| 1987 | 10,983,731 | 844,176 |
| 1986 | 11,411,464 | 942,524 |
| 1985 | 11,997,526 | 1,061,088 |
| 1984 | 12,150,193 | 1,001,467 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 876,282 | $ 1.19 |
| 1987 | 876,282 | 0.96 |
| 1986 | 876,282 | 1.08 |
| 1985 | 877,244 | 1.21 |
| 1984 | 877,244 | 1.14 |

† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.36 | — | — |
| 1987 | 0.36 | — | — |
| 1986 | 0.30 | — | — |
| 1985 | 0.27 | — | — |
| 1984 | 0.24 | — | 3-for-2 |

+ Adjusted to reflect stock split.

## J. Michaels, Inc.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 12,782,400 | $ 14.59 |
| 1987 | 12,051,460 | 13.75 |
| 1986 | 11,522,744 | 13.15 |
| 1985 | 10,843,105 | 12.36 |
| 1984 | 10,037,074 | 11.44 |

‡ Adjusted to reflect stock split.

### Income Account

| Year ended Mar. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 9,942,783 | $ 9,320,250 |
| Other income | 1,639,233 | 1,663,501 |
| Total income | $ 11,582,016 | $ 10,983,751 |
| Cost of sales | 4,198,021 | 3,840,320 |
| Expenses | 5,197,172 | 4,793,886 |
| Bad debt expense | 616,346 | 685,243 |
| Depreciation & amortization | 95,053 | 118,572 |
| Interest expense | 57,343 | 79,680 |
| Interest income | (414,093) | (360,654) |
| Other income | (31,228) | (27,472) |
| Income before taxes | $ 1,863,402 | $ 1,854,176 |
| Income taxes | 817,000 | 1,010,000 |
| Net Income | $ 1,046,402 | $ 844,176 |

### Assets

| As of Mar. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 902,371 | $ 1,278,141 |
| Short-term invest. | 5,990,679 | 5,241,499 |
| Notes receiv. | 22,500 | 37,500 |
| Accts. receiv., net | 7,788,032 | 7,678,150 |
| Refundable taxes | — | 27,431 |
| *Inventories | 1,282,259 | 1,179,150 |
| Prepaid expenses | 76,150 | 105,758 |
| Current Assets | $ 16,061,991 | $ 15,547,629 |
| #Fixed assets | 1,176,414 | 1,253,313 |
| Other assets | 67,532 | 17,774 |
| Total Assets | $ 17,305,937 | $ 16,818,716 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ 113,154 | $ 101,692 |
| Accts. payable | 367,668 | 385,651 |
| Accrued payroll | 341,841 | 276,744 |
| Accrued taxes | 33,755 | 33,164 |
| Accrued interest | 8,900 | 10,000 |
| Other accruals | 75,831 | 77,882 |
| Income taxes | 878,933 | 491,502 |
| Curr. Liabilities | $ 1,820,082 | $ 1,376,635 |
| Long-term debt | 466,616 | 579,770 |
| Deferred inc. taxes | 2,236,839 | 2,810,851 |
| +Common stock | 1,105,369 | 1,105,369 |
| Add.paid-in capital | 1,025,224 | 1,025,224 |
| Retained earnings | 10,880,894 | 10,149,954 |
| Treasury stock | (229,087) | (229,087) |
| Total Liabilities & Shareholders' Equity | $ 17,305,937 | $ 16,818,716 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 18.74 | 19.89 |
| %Net Income to Sales | 10.52 | 9.06 |
| %Net Income to Equity | 8.19 | 7.00 |
| Sales to Inventories | 7.75 | 7.90 |
| Debt to Equity | 0.05 | 0.06 |
| Working Capital | $ 14,241,909 | $ 14,170,994 |
| Current Ratio | 8.82 | 11.29 |
| Shareholders' Equity | $ 12,782,400 | $ 12,051,460 |

## Michaels Stores, Inc.

5931 Campus Circle Drive
Las Colinas Business Park
Irving, Texas 75063
(214) 580-8242

Mailing address:

P.O. Box 612566
DFW, Texas 75261-2566

**Officers:** Sam Wyly, chairman of the board; Charles J. Wyly, Jr., vice chairman; B.B. Tuley, president & chief executive officer; R. Richard Fontaine, sr. v.p.-marketing; James R. Kelly, sr. v.p.-operations; J. Eugene Stubbs, sr. v.p.-finance & administration & chief financial officer; Douglas B. Sullivan, sr. v.p.-real estate; Joel H. Mathis, v.p.-administration & asst. secretary; Mark V. Beasley, general counsel & secretary.

**Directors:** Sam Wyly, chairman of the board; Charles J. Wyly, Jr., William O. Hunt, Donald G. Thomson, B.B. Tuley.

**Business Activities:** Operates a chain of 96 specialty retail stores in 14 states. These stores feature creative products for the home, including picture framing materials and services, silk and dried flowers and related floral items, needlework and other arts and crafts items, greeting cards and party supplies, hobby kits and related supplies.

**Acquisition:**

Moskatel's, Inc.
Los Angeles, California
A specialty retail chain operating 28 stores, primarily in California.

**Transfer Agent(s):**

Texas American Bank/Dallas
Dallas, Texas

**Stock Exchange(s):** American

**Ticker Symbol:** MKE

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 96 | 1984 | 33 |
| 1986 | 51 | 1983 | 10 |
| 1985 | 41 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1987 | $ 167,186,000 | $ 4,897,000 |
| 1986 | 115,904,000 | 3,336,000 |
| 1985 | 76,197,000 | 1,484,000 |
| 1984 | 46,386,000 | (25,000) |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 9,836,000 | $ 0.50 |
| 1986 | 9,605,000 | 0.35 |
| 1985 | 7,897,000 | 0.19 |
| 1984 | 5,972,000 | — |

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 33,422,000 | $ 3.40 |
| 1986 | 28,227,000 | 2.94 |
| 1985 | 23,598,000 | 2.99 |
| 1984 | 10,802,000 | 1.81 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Income Account * (000's)

| Year ended | 1/31/88 | 2/1/87 |
|---|---|---|
| Net sales | $ 167,186 | $ 115,904 |
| Cost of sales | 112,015 | 77,552 |
| Expenses | 43,019 | 30,365 |
| Interest expense | 4,550 | 1,603 |
| Interest income | (946) | (257) |
| Income before taxes | $ 8,548 | $ 6,641 |
| Income taxes | 3,651 | 3,305 |
| Net Income | $ 4,897 | $ 3,336 |

* Included in Costs and Expenses, Depreciation and Amortization $2,617,000 in 1987 and $1,797,000 in 1986.

### Assets (000's)

| As of | 1/31/88 | 2/1/87 |
|---|---|---|
| Cash | $ 2,768 | $ 11,662 |
| Accts. receiv., net | 1,061 | 409 |
| *Inventories | 51,610 | 25,798 |
| Prepaid expenses | 1,448 | 1,009 |
| Current Assets | $ 56,887 | $ 38,878 |
| #Fixed assets | 18,665 | 8,892 |
| Other assets | 275 | 196 |
| Intangibles | 27,088 | 12,770 |
| Total Assets | $ 102,915 | $ 60,736 |

### Liabilities (000's)

| | | |
|---|---|---|
| Line of credit | $ 3,500 | — |
| Long-term debt, curr. | 271 | 445 |
| Accts. payable | 9,398 | 5,122 |
| Accruals | 8,276 | 5,657 |
| Income taxes | 6 | 272 |
| Curr. Liabilities | $ 21,451 | $ 11,496 |
| Long-term debt | 46,366 | 19,923 |
| Deferred inc. taxes | 1,676 | 1,090 |
| +Common stock | 961 | 958 |
| Add. paid-in capital | 21,383 | 21,164 |
| Retained earnings | 11,958 | 7,061 |
| Notes receiv. from officers | (709) | (709) |
| Treasury stock | (171) | (247) |
| Total Liabilities & Shareholders' Equity | $ 102,915 | $ 60,736 |

* At lower of cost (Retail and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.11 | 5.73 |
| %Net Income to Sales | 2.93 | 2.88 |
| %Net Income to Equity | 14.65 | 11.82 |
| Sales to Inventories | 3.24 | 4.49 |
| Debt to Equity | 1.50 | 0.72 |
| Working Capital | $ 35,436,000 | $ 27,382,000 |
| Current Ratio | 2.65 | 3.38 |
| Shareholders' Equity | $ 33,422,000 | $ 28,227,000 |

## Montgomery Ward & Co., Incorporated

One Montgomery Ward Plaza
Chicago, Illinois 60671-0042
(312) 467-2000

(The company went private via a leveraged buyout, June, 1988.)

**Officers:** Bernard F. Brennan*, president & principal executive officer; Robert C. Carr*, executive v.p. & principal financial officer; Edwin G. Pohlmann*, v.p., controller & principal accounting officer.

* Member of the Executive Committee

**Directors:** Bernard F. Brennan*, Robert C. Carr*, Andrew L. Gaboriault*, James Q. Riordan*, * By Power of Attorney .

* Member of the Executive Committee

**Business Activities:** Operates 316 retail stores, including 94 specialty stores, in 39 states. Also operates 23 liquidation centers which sell overstock merchandise, 26 distribution facilities, and 116 product service centers.

**Subsidiaries:**

Montgomery Ward Credit Corporation

Signature Financial/Marketing, Inc.

**Number of Retail Units:**

| | | | |
|---|---|---|---|
| 1987 | 339 | 1984 | 589 |
| 1986 | 320 | 1983 | 576 |
| 1985 | N.A. | | |

N.A.-Not Available.

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1987 | $ 5,024,000,000 | $ 130,000,000 |
| 1986* | 4,870,000,000 | 110,000,000 |
| 1985 | 6,066,000,000 | (298,000,000) |

| | No. of Com. Shares | Earn. per Share |
|---|---|---|
| 1987 | 11,168 | — |
| 1986* | 11,168 | — |
| 1985 | 11,168 | — |

(Loss)
* 53 weeks.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1987 | $ 1,539,000,000 | — |
| 1986 | 1,456,000,000 | — |
| 1985 | 1,420,000,000 | — |

**Income Account * (000's)**

| Year ended | 1/2/88 | 12/31/86 |
|---|---|---|
| Net sales | $ 4,639,000 | $ 4,383,000 |
| Fin. charge rev. | 385,000 | 487,000 |
| Total Income | $ 5,024,000 | $ 4,870,000 |
| Cost of sales | 3,351,000 | 3,202,000 |
| Expenses | 1,299,000 | 1,247,000 |
| Interest expense | 156,000 | 216,000 |
| Income before taxes | $ 218,000 | $ 205,000 |
| Income taxes | 88,000 | 95,000 |
| Net Income | $ 130,000 | $ 110,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $93,000,000 in 1987 and $90,000,000 in 1986.

**Assets (000's)**

| As of | 1/2/88 | 12/31/86 |
|---|---|---|
| Cash | $ 38,000 | $ 34,000 |
| Accts. receiv., net | 365,000 | 369,000 |
| Accts. & notes receiv.-affil. | 252,000 | 310,000 |
| *Inventories | 774,000 | 716,000 |
| Prepaid expenses | 60,000 | 48,000 |
| Prepaid inc. taxes | 197,000 | 321,000 |
| Assets held for dispos. | 12,000 | 36,000 |
| Current Assets | $ 1,698,000 | $ 1,834,000 |
| Investments | 997,000 | 980,000 |
| #Fixed assets | 929,000 | 890,000 |
| Assets held for dispos. | 41,000 | 71,000 |
| Other assets | 84,000 | 52,000 |
| Total Assets | $ 3,729,000 | $ 3,827,000 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 28,000 | $ 29,000 |
| Accts. & note pay.-affil. | 176,000 | 308,000 |
| Accts. payable & accruals | 1,224,000 | 1,130,000 |
| Accruals for restruc. | 54,000 | 82,000 |
| Curr. Liabilities | $ 1,482,000 | $ 1,549,000 |
| Long-term debt | 266,000 | 287,000 |
| Cap. lease oblig. | 190,000 | 204,000 |
| Deferred inc. taxes | 133,000 | 203,000 |
| Other liabilities | 119,000 | 128,000 |
| +Common stock | — | — |
| Add. paid-in capital | 1,159,000 | 1,156,000 |
| Retained earnings | 380,000 | 300,000 |
| Total Liabilities & Shareholders' Equity | $ 3,729,000 | $ 3,827,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.70 | 4.68 |
| %Net Income to Sales | 2.80 | 2.51 |
| %Net Income to Equity | 8.45 | 7.55 |
| Sales to Inventories | 5.99 | 6.12 |
| Debt to Equity | 0.31 | 0.36 |
| Working Capital | $ 216,000,000 | $ 285,000,000 |
| Current Ratio | 1.15 | 1.18 |
| Shareholders' Equity | $ 1,539,000,000 | $ 1,456,000,000 |

## Mott's Super Markets, Inc.

59-65 Leggett Street
East Hartford, Connecticut 06108
(203) 289-3301

P.O. Box 1675
Hartford, Connecticut 06144-1675

**Officers:** Barry Baskind, president & chief executive officer; Lewis Ellish, vice chairman of the board; Stanley Baskind, exec. v.p.-finance, treasurer & secretary; Barry Chaiken, controller.

**Directors:** Lewis Ellish, John B. Dempsey, Stanley Baskind, John B. Abrahms, Barry P. Beskind, Gloria Schaffer.

**Business Activities:** Operates three Shop-Rite Supermarkets in Connecticut. One of these supermarkets also contains an in-store prescription drug department. In addition, two retail package store outlets are operated in Connecticut under the name "Shop-Rite Liquor Store."

**Transfer Agent(s):**

Connecticut Bank & Trust Company
Hartford, Connecticut

**Stock Exchange(s):** American

**Ticker Symbol:** MSM

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 5 | 1985 | 23 |
| 1987 | 5 | 1984 | 26 |
| 1986 | 22 | | |

**Sales & Earnings**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 2,872,000 | $ (86,000) |
| 1987 | 2,745,000 | 5,178,000 |
| 1986* | 2,670,000 | (2,746,000) |
| 1985 | 2,272,000 | (4,696,000) |
| 1984 | 2,401,000 | 463,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,614,424 | $ — |
| 1987 | 2,786,224 | 1.86 |
| 1986* | 2,786,224 | — |
| 1985 | 2,786,224 | — |
| 1984 | 2,786,224 | 0.17 |

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gain of $2,429,893 ($0.87 per share) in 1987.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | — | — | |
| 1986 | — | — | — |
| 1985 | 0.20 | — | — |
| 1984 | 0.20 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 26,764,000 | $ 10.24 |
| 1987 | 28,095,000 | 10.08 |
| 1986 | 22,842,000 | 8.20 |
| 1985 | 25,588,388 | 9.18 |
| 1984 | 30,841,260 | 11.07 |

**Income Account**

| Year ended | 12/31/89 | 1/2/88 |
|---|---|---|
| Net sales | $ 2,872,286 | $ 2,744,692 |
| Cost of sales | 2,326,611 | 2,228,532 |
| Expenses | 1,679,506 | 455,180 |
| Depreciation | 148,679 | 14,078 |
| Other income | (2,026,422) | (834,347) |
| Inc. bef. taxes | $ 743,912 | $ 881,249 |
| Income taxes | 304,698 | 344,367 |
| Income-cont. oper. | $ 439,214 | $ 536,882 |
| Inc. (loss)-discont. oper. | (525,161) | 2,211,355 |
| Net Income (Loss) | $ (85,947) | $ 2,748,237 |
| Extraord. gain | — | 2,429,893 |
| Net Income (Loss) & extraord. gain | $ (85,947) | $ 5,178,130 |

**Assets**

| As of | 12/31/89 | 1/2/88 |
|---|---|---|
| Cash | $ 14,400,262 | $ 15,518,314 |
| Notes receivable | 64,184 | 55,067 |
| Due from Wakefern Food Corp. | 2,546,980 | — |
| Accts. receiv., net | 1,497,968 | 1,537,280 |
| Refundable taxes | — | 9,900 |
| *Inventories | 453,956 | 390,276 |
| Prepaid pension cost | 600,165 | — |
| Prepaid expenses | 504,804 | 316,949 |
| Current Assets | $ 20,068,319 | $ 17,827,786 |

| | | |
|---|---|---|
| Investments | 61,773 | 192,610 |
| #Fixed assets | 1,356,620 | 1,503,304 |
| Other assets | 10,827,149 | 13,836,296 |
| Total Assets | $ 32,313,861 | $ 33,359,996 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 3,498 | $ 15,430 |
| Accts. payable | 3,802,509 | 2,524,602 |
| Accruals | 1,113,935 | 2,008,068 |
| Curr. Liabilities | $ 4,920,042 | $ 4,548,100 |
| Long-term debt | 55,512 | 59,010 |
| Deferred inc. taxes | 36,820 | 36,820 |
| Deferred comp. | 537,692 | 597,692 |
| Deferred pension cost | — | 23,082 |
| +Common stock | 2,786,224 | 2,786,224 |
| Add. paid-in capital | 20,349,978 | 20,349,978 |
| Retained earnings | 4,873,143 | 4,959,090 |
| Treasury stock | (1,245,550) | — |
| Total Liabilities & Shareholders' Equity | $ 32,313,861 | $ 33,359,996 |

* At cost (FIFO) by the retail method.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 9.78 |
| Sales to Inventories | 6.33 | 7.03 |
| Working Capital | $ 21,148,277 | $ 13,279,686 |
| Current Ratio | 5.30 | 3.92 |
| Shareholders' Equity | $ 26,763,795 | $ 28,095,292 |

## Munford, Inc.

1860-74 Peachtree Road N.W.
Box 7701, Station C
Atlanta, Georgia 30309
(404) 352-6641

(Went private via a merger with Alabama Merger Corporation, November 29, 1988.)

**Officers:** Dillard Munford, chairman of the board & chief exec. officer; Russell C. Fellows, president & chief operating officer; Joseph W. Hardin, v.p. & treasurer; Jay E. Rubel, v.p.-administration; James M. Carroll, exec. v.p. & secretary; Frederick J. Mershad, president-World Bazaar Division; John A. Popple, president-LeeWards Creative Crafts, Inc.; H. E. Lambert, v.p., corp. counsel & asst. secretary.

**Directors:** Dillard Munford*, chairman; Winton M. Blount, Jeff B. Davidson, H. Carey Hanlin, Herbert J. Dickson*, Russell C. Fellows*, Richard K. LeBlond, II*, Andrall E. Pearson, Robert M. Gardiner, James L. Ferguson, S. B. Rymer, Jr.*.

* Member of the Executive Committee

**Business Activities:** Company activities include the operation of company-owned and franchised convenience food stores under the name "Majik Market". Many of these food stores have gasoline stations operating in conjunction with them. World Bazaar import stores feature gift and home furnishing items; Leewards Craft Bazaar stores retail craft products. The Company also manufactures rattan furniture and is engaged in refrigerated warehouse and distribution activities.

**Divisions and Subsidiaries:**

Majik Market Division
World Bazaar Division
Building Materials Division
Leewards Division

United Refrigeration Services, Inc.
(49.9%-owned)

**Number of Stores:** (at fiscal year end)

| | Majik Market | World Bazaar* |
|---|---|---|
| 1987 | 705 | 305 |
| 1986 | 792 | 311 |
| 1985 | 837 | 310 |
| 1984 | 835 | 279 |
| 1983 | 916 | 223 |

| | Leewards |
|---|---|
| 1987 | 59 |
| 1986 | 47 |
| 1985 | 47 |
| 1984 | — |
| 1983 | — |

* Company-operated and franchised.

**Sales & Earnings**

| | Net Sales † | Net Income |
|---|---|---|
| 1987 | $ 458,195,000 | $ (3,114,000) |
| 1986 | 459,501,000 | 1,641,000 |
| 1985 | 456,562,000 | 5,532,000 |
| 1984* | 423,513,000 | 8,235,000 |
| 1983 | 395,795,000 | 7,510,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1987 | 3,864,331 | $ — |
| 1986 | 3,869,759 | 0.42 |
| 1985 | 3,956,315 | 1.40 |
| 1984* | 4,159,617 | 1.98 |
| 1983 | 4,096,893 | 1.83 |

(Loss)
* 53 weeks.
† Of continuing operations only; includes other revenues.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

**Revenues by Line of Business**
(000's)

| | 1987 | 1986 |
|---|---|---|
| Convenience Food Stores | $ 309,604 | $ 328,170 |
| Import Stores | 74,870 | 70,003 |
| Craft Stores | 73,721 | 61,328 |
| Total | $ 458,195 | $ 459,501 |

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.54 | — | — |
| 1986 | 0.54 | — | — |
| 1985 | 0.54 | — | — |
| 1984 | 0.52 | 12 1/2% | — |
| 1983 | 0.42 | — | 5-for-4 |

# Adjusted to reflect stock dividend and stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1987 | $ 48,972,000 | $ 12.67 |
| 1986 | 52,788,000 | 13.64 |
| 1985 | 52,392,000 | 13.24 |
| 1984 | 53,953,000 | 13.93 |
| 1983 | 49,854,000 | 12.17 |

+ Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock dividend and stock split.

**Income Account**

| Year ended | 12/31/87 | 1/1/87 |
|---|---|---|
| Net sales & other rev. | $ 458,195,000 | $ 459,501,000 |
| Cost of sales | 313,189,000 | 310,994,000 |
| Expenses | 141,620,000 | 136,311,000 |
| Depreciation & amortization | 8,542,000 | 8,457,000 |
| Interest expense | 7,142,000 | 6,929,000 |
| Interest income | (604,000) | (623,000) |
| Loss (gain) on dispos. of plant & equip. | (27,000) | 479,000 |
| Equity in earnings of United Refrigerated Services, Inc. | (2,363,000) | (3,347,000) |
| Inc. (loss) bef. taxes | $ (9,304,000) | $ 301,000 |
| Tax credit | (5,085,000) | (1,340,000) |
| Cum. effect of change in accntg. meth. | (1,105,000) | — |
| Net Income (Loss) | $ (3,114,000) | $ 1,641,000 |

**Assets**

| As of | 12/31/87 | 1/1/87 |
|---|---|---|
| Cash | $ 2,968,000 | $ 3,481,000 |
| Accts. receiv., net | 8,973,000 | 8,622,000 |
| *Inventories | 82,796,000 | 75,116,000 |
| Prepaid expenses | 6,058,000 | 7,409,000 |
| Refundable taxes | 4,296,000 | 1,120,000 |
| Current Assets | $ 105,091,000 | $ 95,748,000 |
| #Fixed assets | 42,401,000 | 40,913,000 |
| Other assets | 23,429,000 | 17,870,000 |
| Cap. leases | 5,678,000 | 8,651,000 |
| Total Assets | $ 176,599,000 | $ 163,182,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 20,700,000 | $ 3,730,000 |
| Long-term debt, curr. | 2,575,000 | 2,317,000 |
| Accts. payable | 53,731,000 | 45,725,000 |
| Dividends payable | 528,000 | 516,000 |
| Income taxes | 105,000 | 231,000 |
| Capital lease oblig., curr. | 2,133,000 | 3,095,000 |
| Curr. Liabilities | $ 79,772,000 | $ 55,614,000 |
| Long-term debt | 35,265,000 | 38,953,000 |
| Capital lease oblig. | 6,320,000 | 8,702,000 |
| Deferred inc. taxes | 3,860,000 | 5,423,000 |
| Other non-current liab. | 2,410,000 | 1,702,000 |
| +Common stock | 4,308,000 | 4,218,000 |
| Add. paid-in capital | 25,500,000 | 24,198,000 |
| Retained earnings | 29,143,000 | 34,351,000 |
| Treasury stock | (9,979,000) | (9,979,000) |
| Total Liabilities & Shareholders' Equity | $ 176,599,000 | $ 163,182,000 |

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 0.07 |
| %Net Income to Sales | — | 0.36 |
| %Net Income to Equity | — | 3.11 |
| Debt to Equity | 1.37 | 1.08 |
| Working Capital | $ 25,319,000 | $ 40,134,000 |
| Current Ratio | 1.32 | 1.72 |
| Shareholders' Equity | $ 48,972,000 | $ 52,788,000 |

## Munsingwear, Inc.

724 North First Street
Minneapolis, Minnesota 55401
(612) 340-4700

**Officers:** Lawrence L. Horsch, chairman & chief exec. officer; Thomas T. Brumm, sr. v.p.-planning & analysis; Thomas J. Ahmann, v.p.-finance, administration & law and secretary; Charles J. Campbell, v.p. & president-Men's Division; Gary R. Kimmel, v.p. & president-Form-O-Uth, Inc.; Mary Kay Edwards, v.p. & president-Vassarette Division; Paul S. Haskell, v.p. & president-LeRoi Princeton Division; Allen Spector, president-Shirtmate Apparel Group Ltd.; Gerald E. Magnuson, asst. secretary.

**Directors:** Lawrence L. Horsch, chairman; Gerald E. Magnuson, Sandra W. Meyer, William L. Garrity, Thomas E. Holloran.

**Business Activities:** Engaged in the production and sale of loungewear, sleepwear, underwear and sportswear for men, women, and children. The Company's Outlet Store Division operates 16 retail outlet stores throughout the U.S. which primarily sell overstocked and irregular merchandise.

**Divisions and Subsidiaries:**

Vassarette Division
Memphis, Tennessee
Products include lingerie, sleepwear, robes, loungewear, bras, girdles, swimsuits and Vassarette juniors.

Men's Apparel Division
Minneapolis, Minnesota
Products include underwear, sleepwear, loungewear, robes, golf shirts, sport shirts, hosiery, jackets, slacks, tenniswear and sweaters.

Outlet Store Division
Operates 16 retail outlet stores throughout the U.S. which primarily sell overstocked and irregular merchandise.

Form-O-Uth, Inc.
McAllen, Texas
Manufactures private label women's intimate apparel as well as women's swimwear and bodywear.

Shirtmate Apparel Group Ltd.
Montreal, Canada
Designs, manufactures and distributes women's junior sportswear and contemporary clothing.

LeRoi Princeton Division
Princeton, Kentucky
Designs, manufactures and distributes children's hosiery, sleepwear and footwear under the Le Roi label.

**Transfer Agent(s):**

Continental Bank N.A.
P.O. Box 2900
Loop Station
Minneapolis, Minnesota 55402

**Stock Exchange(s):** New York

**Ticker Symbol:** MUN

**Number of Stores:**

| | |
|---|---|
| 1987 | 18 |

**Sales & Earnings x**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 171,681,000 | $ (13,120,000) |
| 1987 | 198,427,000 | (22,696,000) |
| 1986 | 147,851,000 | 3,454,000 |
| 1985 | 114,247,000 | 3,382,000 |
| 1984 | 92,645,000 | 3,893,000 |

| | No. of Com. Shares † | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 4,876,258 | $ — |
| 1987 | 4,876,258 | — |
| 1986 | 4,794,590 | 0.74 |
| 1985 | 3,854,229 | 0.83 |
| 1984 | 3,800,316 | 0.68 |

(Loss)
x Restated to reflect change in accounting method.
+ Of continuing operations only.
‡ Including extraordinary gains of $681,000 ($0.14 per share) in 1986, $693,000 ($0.17 per share) in 1984 and $3,842,000 ($0.67 per share) in 1983.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | 3-for-2 |
| 1985 | — | — | 2-for-1 |

**Common Stock Equity x**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 14,723,000 | $ 3.02 |
| 1987 | 31,124,000 | 6.38 |
| 1986 | 52,766,000 | 11.01 |
| 1985 | 48,897,000 | 10.10 |
| 1984 | 35,315,000 | 9.29 |

x Restated.
‡ Adjusted to reflect stock splits.

**Income Account ***
(000's)

| Year ended | 1/1/89 | 1/2/88‡ |
|---|---|---|
| Net sales | $ 171,681 | $ 198,427 |
| Cost of sales | 133,904 | 162,833 |
| Expenses | 47,214 | 53,022 |
| Royalty income | (642) | (791) |
| Interest expense | 5,763 | 4,693 |
| Gain on sale of trademarks | (3,250) | — |
| Loss on consolidation | 1,645 | 1,383 |
| Other expense (income) | (391) | 96 |
| Loss bef. taxes | $ (12,562) | $ (22,809) |
| Income taxes (credit) | 558 | (113) |
| Net Loss | $ (13,120) | $ (22,696) |

* Included in Costs and Expenses, Depreciation and Amortization: $2,857,000 in 1988 and $3,477,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987‡ |
|---|---|---|
| Cash | $ 1,319 | $ 1,349 |
| Receiv., net | 20,481 | 23,172 |
| *Inventories | 36,983 | 34,451 |
| Prepaid expenses | 2,136 | 2,119 |
| Current Assets | $ 60,919 | $ 61,091 |
| #Fixed assets | 11,638 | 17,341 |
| Other assets | 16,134 | 16,582 |
| Total Assets | $ 88,691 | $ 102,654 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term borrowings | $ 15,904 | $ 14,130 |
| Long-term debt, curr. | 2,038 | 2,063 |
| Accts. payable | 7,591 | 7,783 |
| Accrued payroll | 4,449 | 4,303 |
| Income taxes pay. | 76 | 214 |
| Due under share value guar. | 2,338 | — |
| Other accruals | 3,811 | 2,939 |
| Curr. Liabilities | $ 36,207 | $ 31,432 |
| Long-term debt | 36,738 | 38,075 |
| Deferred income | 1,023 | 2,023 |
| +Common stock | 6,746 | 6,746 |
| Add. paid-in capital | 21,646 | 25,459 |
| Retained earnngs (deficit) | (8,776) | 4,344 |
| For curr. trans. adj. | 1,052 | 520 |
| Treasury stock | (5,945) | (5,945) |
| Total Liabilities & Shareholders' Equity | $ 88,691 | $ 102,654 |

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.64 | 4.71 |
| Debt to Equity | 3.71 | 1.74 |
| Working Capital | $ 24,712,000 | $ 37,299,000 |
| Current Ratio | 1.68 | 2.19 |
| Shareholders' Equity | $ 14,723,000 | $ 31,124,000 |

## Nash Finch Company

3381 Gorham Avenue
St. Louis Park, Minnesota 55426
(612) 929-0371

**Officers:** Harold B. Finch, Jr., chairman & chief executive officer; Russell N. Mammel, president & chief operating officer; Jerome O. Rodysill, sr. v.p.; Gerald E. Barber, v.p.; Clarence T. Walters, v.p.; Anthony J. Wald, v.p.; Robert F. Nash, v.p. & treasurer; Philip E. Bortacheller, assistant treasurer; Dennis C. Fairchild, controller; Norman R. Soland, v.p. & secretary; Walter G. Hreno, asst. secretary.

**Directors:** Harold B. Finch, Jr.*, chairman; Alan W. Clark, Ann M. Crowley, Russell N. Mammel*, Donald R. Miller, Robert F. Nash*, Jerome O. Rodysill*, Arthur C. Wangaard, Jr.*, Richard A. Fisher, Richard G. Lareau.

* Member of the Executive Committee

**Business Activities:** Owns and operates 94 supermarkets, warehouse stores, and combination general merchandise/food stores. Of these stores, 40 are supermarkets, operated principally under the names "Jack & Jill," "Piggly Wiggly" and "Sun Mart." Forty-three of the Company's stores are warehouse stores operated under the names "Econofood," "Warehouse Market," "Food Bonanza," "Prairie Market," and "Sax Foods," and 11 are combination general merchandise/food stores operated under the names "Family Thrift Center" and "Farm Fresh." In addition, 17 food distribution centers supply approximately 600 affiliated supermarkets, 200 unaffiliated supermarkets and 5,000 independent retailers and institutions. The firm also owns a produce marketing subsidiary in California, which sells fresh fruits and vegetables to large wholesalers and chain retailers.

**Divisions and Subsidiaries:**

Piggly Wiggly
Corporate and affiliated supermarkets in North and South Dakota, Minnesota and Montana.

Jack & Jill
Corporate and affiliated supermarkets in Minnesota, North and South Dakota, Iowa, Illinois, Nebraska, Kansas, Texas, Montana, Colorado, Oklahoma, Wyoming, and Wisconsin.

Sun Mart
Corporate supermarkets in Iowa, Nebraska, North Dakota and Minnesota.

## Nash Finch Company

**Family Thrift Center**
General merchandise/food stores in Nebraska, South Dakota and North Dakota.

**Food Pride**
Affiliated independent supermarkets in North Carolina.

**Warehouse Market**
Warehouse stores in Minnesota, Iowa, and Kansas.

**Food Bonanza**
Warehouse stores in Iowa, Nebraska, North Dakota, Texas, Wyoming, Kansas, Illinois, South Dakota and Minnesota.

**Prairie Market**
Warehouse stores in South Dakota.

**Econofoods**
Warehouse stores in Iowa, Nebraska, Minnesota and North Dakota.

**The Nash DeCamp Company**
Produce marketing subsidiary in California and Arizona.

**The S. C. Shannon Company**
Food distribution center serving independent food retailers in Wisconsin.

**M. H. McLean Wholesale Grocery Co., Inc.**
Food distribution center serving independent food retailers in North and South Carolina.

**Thomas & Howard Company of Hickory, Inc.**
These three companies operate four grocery and health and beauty aids warehouses in the Southeast.

**Thomas & Howard Company of Rocky Mount, Inc.**

**Virginia Foods of Bluefield, Inc.**

**Transfer Agent(s):**

Norwest Bank Minnesota, N.A.
Stock Transfer Dept.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** NAFC (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 94 | 1985 | 91 |
| 1987 | 91 | 1984 | 92 |
| 1986 | 93 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1988 | $ 2,069,582,937 | $ 18,175,404 |
| 1987 | 1,919,461,458 | 18,502,281 |
| 1986* | 1,577,356,682 | 13,833,792 |
| 1985 | 1,327,399,780 | 12,005,731 |
| 1984 | 1,238,318,783 | 11,686,234 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 10,881,408 | $ 1.67 |
| 1987 | 10,575,659 | 1.75 |
| 1986* | 10,244,196 | 1.35 |
| 1985 | 10,195,584 | 1.18 |
| 1984 | 10,178,000 | 1.15 |

* 53 weeks.
+ Includes operating revenues and other income.
# Based on the average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Wholesale | $ 1,354,040 | $ 1,290,909 |
| Retail | 711,222 | 621,341 |
| Produce marketing | 26,560 | 26,508 |
| Total | $ 2,091,822 | $ 1,938,758 |

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.65 | — | — |
| 1987 | 0.57 | — | — |
| 1986 | 0.52 | — | — |
| 1985 | 0.50 | — | — |
| 1984 | 0.49 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 151,043,000 | $ 13.90 |
| 1987 | 140,850,000 | 12.97 |
| 1986 | 116,416,000 | 11.34 |
| 1985 | 107,384,000 | 10.51 |
| 1984 | 100,094,000 | 9.84 |

# Adjusted to reflect stock split.

**Income Account**

| Year ended | 1/2/89 | 1/2/88 |
|---|---|---|
| Net sales | $ 2,069,582,937 | $ 1,919,461,458 |
| Other income | 28,251,106 | 23,886,476 |
| Total income | $ 2,097,834,043 | $ 1,943,347,934 |
| Cost of sales | 1,807,448,230 | 1,682,666,419 |
| Expenses | 230,221,409 | 198,552,992 |
| Depreciation & amortization | 20,192,593 | 18,389,278 |
| Prof. sh. plan. | 2,831,630 | 2,733,451 |
| Interest expense | 8,106,243 | 8,047,143 |
| Income before taxes | $ 29,033,938 | $ 32,918,651 |
| Income taxes | 10,858,534 | 14,416,370 |
| Net Income | $ 18,175,404 | $ 18,502,281 |

**Assets**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 707,656 | $ 544,835 |
| Accts. reciev., net | 58,347,522 | 52,337,429 |
| *Inventories | 155,644,829 | 151,491,913 |
| Prepaid expenses | 5,255,940 | 4,931,147 |
| Current Assets | $ 219,955,947 | $ 209,305,224 |
| Investments | 22,898,804 | 23,683,409 |
| #Fixed assets | 142,789,128 | 114,958,422 |
| Oblig. under cap. leases | 1,433,110 | 2,801,122 |
| Defer. charge | 896,889 | 1,084,591 |
| Intangibles | 295,011 | 354,446 |
| Total Assets | $ 388,268,889 | $ 352,187,214 |

**Liabilities**

| | | |
|---|---|---|
| Outstanding checks | $ 19,421,198 | $ 9,716,446 |
| Short-term debt | 22,600,000 | 7,000,000 |
| Long-term debt & cap. lease oblig. | 3,890,618 | 3,796,092 |
| Accts. payable | 91,992,008 | 91,272,826 |
| Accruals | 13,993,159 | 11,740,695 |
| Income taxes | 1,170,765 | 4,082,115 |
| Curr. Liabilities | $ 153,067,748 | $ 127,608,174 |
| Long-term debt | 62,981,909 | 61,760,758 |
| Cap. lease oblig. | 3,233,981 | 5,227,053 |
| Deferred compensation | 10,265,285 | 9,455,981 |
| Deferred income taxes | 6,698,186 | 6,058,669 |
| Other liab. | 978,409 | 1,226,111 |
| +Common stock | 18,706,339 | 18,706,339 |
| Add. paid-in capital | 11,812,464 | 11,541,292 |
| Retained earnings | 123,629,132 | 112,531,922 |
| Treasury stock | (3,104,564) | (1,929,085) |
| Total Liabilities & Shareholders' equity | $ 388,268,889 | $ 352,187,214 |

* At lower of cost (LIFO or FIFO) or market.
# Less accumulated depreciation.
+ $1.66 2/3 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.40 | 1.71 |
| %Net Income to Sales | 0.88 | 0.96 |
| %Net Income to Equity | 12.03 | 13.14 |
| Sales to Inventories | 13.30 | 12.67 |
| Debt to Equity | 0.61 | 0.56 |
| Working Capital | $ 66,888,199 | $ 81,697,050 |
| Current Ratio | 1.44 | 1.64 |
| Shareholders' Equity | $ 151,043,371 | $ 140,850,468 |

## National Convenience Stores Incorporated

100 Waugh Drive
Houston, Texas 77007
(713) 863-2200

**Officers:** V. H. Van Horn, president & chief exec. officer; A. J. Gallerano, v.p., general counsel & secretary; J. C. Brewster, sr. v.p.-finance & chief financial officer; Patricia A. Raybon, v.p.-internal audit; C. R. Wortham, v.p.-real estate; Charles T. Spear, v.p.-stores; Jerry M. Comstock, Jr., regional v.p.; Michael C. Kearney, v.p. & treasurer; Craig K. Calton, v.p.-marketing; F. R. Daily, Jr., v.p.-advertising & sales promotion.

**Directors:** William Key Wilde, Raymond W. Oeland, Jr., Dunbar N. Chambers, Jr., Richard C. Steadman, Robert B. Stobaugh, V. H. Van Horn.

**Business Activities:** Operates a chain of 1,076 self-service convenience food stores in Texas, Florida, Georgia, Tennessee, and California, with the majority of the stores located in Texas. Most stores are company-owned and operated under the name "Stop N Go," and sell staple foods, groceries, beverages, snack foods, and other food items.

**Divisions:**

**Western Division**
1385 Knollwood Circle, Unit B
Anaheim, California 92801
(714) 527-8810

**Gulf Coast Division**
100 Waugh Drive
Houston, Texas 77007
(713) 863-2203

**Midwestern Division**
2521 Brown Boulevard
Arlington, Texas 76006
(817) 649-8785

**Hex Division**
100 Waugh Drive
Houston, Texas 77007
(713) 863-2200

**Transfer Agent(s):**

Centerre Trust Company of St. Louis
St. Louis, Missouri

**Stock Exchange(s):** New York

**Ticker Symbol:** NCS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,076 | 1985 | 1,130 |
| 1987 | 950 | 1984 | 1,081 |
| 1986 | 958 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 914,980,000 | $ 6,754,000 |
| 1987 | 828,044,000 | (5,445,000) |
| 1986 | 949,874,000 | 3,582,000 |
| 1985 | 927,507,000 | 15,509,000 |
| 1984 | 818,988,000 | 18,450,000 |

| | No. of Com. Share # | Earn. per Share # |
|---|---|---|
| 1988 | 22,436,000 | $ 0.30 |
| 1987 | 22,637,000 | — |
| 1986 | 23,219,000 | 0.15 |
| 1985 | 20,440,000 | 0.76 |
| 1984 | 19,750,000 | 0.93 |

(Loss)
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.36 | — | — |
| 1987 | 0.36 | — | |
| 1986 | 0.36 | — | — |
| 1985 | 0.36 | — | 5-for-4 |
| 1984 | 0.32 | — | 3-for-2 |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share # |
|---|---|---|
| 1988 | $ 74,612,000 | $ 3.33 |
| 1987 | 73,510,000 | 3.25 |
| 1986 | 89,508,000 | 3.85 |
| 1985 | 96,114,000 | 4.70 |
| 1984 | 87,336,000 | 4.42 |

‡ After allowing for preferred stock at stated value.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account ***
(000's)

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 914,980 | $ 828,044 |
| Cost of sales | 663,906 | 604,602 |
| Oper. exp. | 183,086 | 170,273 |
| Expenses | 37,871 | 36,904 |
| Interest expense | 29,772 | 25,513 |
| Loss on sale of assets | 130 | 650 |
| Income (loss) before taxes | $ 215 | $ (9,898) |
| Tax credit | (8) | (4,453) |
| Cum. effect of acct. change | (6,531) | — |
| Net Income (Loss) | $ 6,754 | $ (5,445) |

*Included in Costs and Expenses, Depreciation and Amortization: $29,640,000 in 1988 and $30,528,000 in 1987.

**Assets**
(000's)

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 11,329 | $ 7,567 |
| Accts. & notes receiv., net | 4,024 | 4,258 |
| Refundable inc. taxes | 866 | 11,748 |
| *Inventories | 59,120 | 44,789 |
| Prepaid expenses | 5,483 | 4,905 |
| Current Assets | $ 80,822 | $ 73,267 |
| #Fixed assets | 387,857 | 347,974 |
| Other assets & defer. charges | 54,581 | 27,331 |
| Total Assets | $ 523,260 | $ 448,572 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 14,882 | $ 7,171 |
| Accts. payable & accrued expenses | 58,863 | 58,151 |
| Dividends payable | 2,013 | 2,016 |
| Curr. Liabilities | $ 75,758 | $ 67,338 |
| Long-term debt | 274,628 | 204,930 |
| Cap. lease oblig. | 19,316 | 19,336 |
| Deferred inc. taxes | 24,813 | 32,494 |
| 9% convertible debentures | 50,000 | 50,000 |
| Other liabilities | 4,132 | 963 |
| +Preferred stock | 1 | 1 |
| ++Common stock | 9,986 | 9,963 |
| Add. paid-in capital | 87,829 | 87,829 |
| Retained earnings | 23,037 | 24,371 |
| Treasury stock | (12,136) | (11,455) |
| Notes payable | (34,104) | (37,198) |
| Total Liabilities & Shareholders' Equity | $ 523,260 | $ 448,572 |

* At lower of cost (FIFO) or market; gasoline inventories at average cost.
# Less accumulated depreciation and amortization.
+ $1 par value.
++ $0.41 2/3 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.02 | — |
| %Net Income to Sales | 0.74 | — |
| %Net Income to Equity | 9.05 | — |
| Sales to Inventories | 15.48 | 18.49 |
| Debt to Equity | 4.14 | 3.15 |
| Working Capital | $ 5,064,000 | $ 5,929,000 |
| Current Ratio | 1.07 | 1.09 |
| Shareholders' Equity | $ 74,613,000 | $ 73,511,000 |

## National Lumber & Supply, Inc.

17102 Newhope Street
Fountain Valley, California 92708
(714) 751-3970

**Officers:** Sol Jaffee, chairman of the board; Melvin Jaffee, president & chief executive officer; Jordan G. Silverberg, executive v.p.; Richard C. Sturt, v.p.-administration & secretary; V.J. Carnevale, v.p., chief financial officer & treasurer.

**Directors:** Sol Jaffee, chairman of the board; Melvin Jaffee, Jordan G. Silverberg, Lawrence R. Gordon, Victor Carter, Haim Ben-Shahar, Marvin A. Weiss.

**Business Activities:** Operates 20 discount home centers in southern California. These centers sell a wide range of lumber and building materials, hardware, gardening and home improvement and repair products to the do-it-yourself market.

**Subsidiaries:**

Lauren-Bilt Construction, Inc.
Jaffee Wholesale, Inc.

**Transfer Agent(s):**

Bank of America
San Francisco, California

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** NTLB (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 20 | 1986 | 19 |
| 1988 | 19 | 1985 | 15 |
| 1987 | 18 | | |

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1988 | $ 152,430,467 | $ (4,640,466) |
| 1987 | 159,288,866 | 228,758 |
| 1986 | 151,286,000 | (2,421,000) |
| 1985 | 136,424,000 | (154,000) |
| 1984 | 127,880,000 | 1,335,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 5,637,298 | $ — |
| 1987 | 6,635,585 | 0.04 |
| 1986 | 5,633,809 | — |
| 1985 | 5,631,789 | — |
| 1984 | 5,631,559 | 0.24 |

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 16,067,000 | $ 2.85 |
| 1987 | 20,702,000 | 3.67 |
| 1986 | 20,463,000 | 3.63 |
| 1985 | 22,879,000 | 4.06 |
| 1984 | 23,237,000 | 4.13 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 152,025,195 | $ 158,776,352 |
| Other income | 405,272 | 512,514 |
| Total income | $ 152,430,467 | $ 159,288,866 |
| Cost of sales | 106,615,992 | 111,248,806 |
| Expenses | 50,600,763 | 47,900,088 |
| Interest expense | 946,178 | 195,214 |
| Loss before taxes | $ (5,732,466) | $ (55,242) |
| Tax credit | (1,092,000) | (34,000) |
| Cum. effect of change in accntg. meth. | — | (250,000) |
| Net Income (Loss) | $ (4,640,466) | $ 228,758 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,861,202 in 1988 and $1,781,476 in 1987.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 147,043 | $ 1,330,018 |
| Accts. receiv., net | 2,026,447 | 1,886,236 |
| Refundable taxes | 124,198 | 563,973 |
| *Inventories | 29,619,062 | 32,042,460 |
| Due from related party | — | 21,731 |
| Prepaid expenses | 1,172,685 | 1,537,073 |
| Current Assets | $ 33,089,435 | $ 37,381,491 |
| Note receivable | 2,000,000 | 2,000,000 |
| #Fixed assets | 11,175,631 | 11,125,172 |
| Other assets | 237,411 | 581,107 |
| Total Assets | $ 46,502,477 | $ 51,087,770 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 6,714,784 | $ 3,088,423 |
| Long-term debt, curr. | 55,550 | 41,766 |
| Accts. payable | 16,643,527 | 17,422,603 |
| Accrued insurance premiums | 808,827 | 1,140,836 |
| Other accruals | 4,123,924 | 5,543,363 |
| Curr. Liabilities | $ 28,348,612 | $ 27,236,981 |

| | | |
|---|---|---|
| Long-term debt | 1,199,483 | 1,233,333 |
| Deferred income | 484,212 | 512,695 |
| Deferred inc. taxes | 402,769 | 1,402,769 |
| +Common stock | 10,802,102 | 10,796,227 |
| Retained earnings | 5,265,299 | 9,905,765 |
| Total Liabilities & Shareholders' Equity | $ 46,502,477 | $ 51,087,770 |

° At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Sales | — | 0.14 |
| %Net Income to Equity | — | 1.11 |
| Sales to Inventories | 5.13 | 4.96 |
| Debt to Equity | 0.50 | 0.21 |
| Working Capital | $ 4,740,823 | $ 10,144,510 |
| Current Ratio | 1.17 | 1.37 |
| Shareholders' Equity | $ 16,067,401 | $ 20,701,992 |

## NBI, Inc.

P.O. Box 9001
3450 Mitchell Lane
Boulder, Colorado 80301
(303) 444-5710

**Officers:** Stephen G. Jerritts, president & chief executive officer; Jesse A. Simmons, v.p., treasurer & secretary; David Klein, exec. v.p. & asst. secretary; Richard LaBarbera, v.p.; Ernest T. Pope, v.p.; Michael L. Kaesner, v.p.; James Patrick Martin, v.p..

**Directors:** Stephen G. Jerritts, Howard W. Selby, III, Richard Hodgson, Dianne C. Walker.

**Business Activities:** Operates NBI The Office Place retail stores, which engage in the sale of office supplies, machines and furniture in the western U.S. Also designs, manufactures and markets software-based office automation systems used in information and word processing and for communications within the office.

**Divisions and Subsidiaries:**

NBI Office Products Division
NBI Office Systems Division

Integrated Solutions, Inc.
2240 Lundy Avenue
San Jose, California 95131
Designs, manufactures and markets high-performance computers for engineering, scientific and other technical professionals.

NBI Canada Inc.
Foreign sales subsidiaries.
NBI Ltd. (United Kingdom)
NBI GmbH (West Germany)
NBI SA (France)
NBI Systems, Inc. (Hong Kong)

**Transfer Agent(s):**

The First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** NBI

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | N.A. | 1986 | 35 |
| 1987 | 35 | | |

N.A. - Not Available.

**Sales & Earnings**

| | Revenues + | Net Income † |
|---|---|---|
| 1988 | $ 137,746,000 | $ (48,819,000) |
| 1987 | 170,173,000 | (5,405,000) |
| 1986 | 172,454,000 | (3,868,000) |
| 1985 | 192,822,000 | 13,215,000 |
| 1984 | 177,051,000 | 13,776,000 |

| | No. of Com. Shares # | Earn. per Share †# |
|---|---|---|
| 1988 | 8,581,000 | $ — |
| 1987 | 9,272,000 | — |
| 1986 | 9,679,000 | — |
| 1985 | 9,367,000 | 1.41 |
| 1984 | 9,869,000 | 1.40 |

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $509,000 in 1987 and $330,000 in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 33,833,000 ‡ | $ 4.03 |
| 1987 | 86,903,000 ‡ | 9.72 |
| 1986 | 100,371,000 ‡ | 10.32 |
| 1985 | 101,442,000 ‡ | 10.65 |
| 1984 | 82,219,000 | 9.02 |

‡ After allowing for preferred stock at liquidation value.

**Income Account °**
(000's)

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 86,561 | $ 118,447 |
| Rental & serv. | 51,185 | 51,726 |
| Total income | $ 137,746 | $ 170,173 |
| Cost of sales | 87,274 | 86,663 |
| Expenses | 81,451 | 77,947 |
| Inc. from invest. | (2,305) | (2,446) |
| Interest expense | 5,083 | 5,017 |
| Inc. (loss) bef. taxes | $ (27,757) | $ 2,992 |
| Income taxes (credit) | (11,408) | 1,197 |
| Inc. (loss)-cont. oper. | $ (16,349) | $ 1,795 |
| Loss-discont. oper. | (33,470) | (7,709) |
| Net Loss | $ (49,819) | $ (5,914) |
| Extraord. gain | — | 509 |
| Net Loss & extraord. gain | $ (49,819) | $ (5,405) |

° Included in Costs and Expenses, Depreciation and Amortization: $16,041,000 in 1988 and $15,801,000 in 1987.

**Assets**
(000's)

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 13,071 | $ 27,028 |
| Receivables | 28,886 | 50,386 |
| Marketable securities | 87 | 6,346 |
| °Inventories | 19,915 | 41,680 |
| Net assets-discont. oper. | 5,942 | — |
| Other curr. assets | 4,638 | 2,940 |
| Current Assets | $ 72,539 | $ 128,380 |
| Installment receiv. | 5,869 | 5,288 |
| #Rental equip. | 1,598 | 2,437 |
| ‡ Field spare parts | 6,454 | 6,979 |
| #Fixed assets | 29,856 | 50,701 |
| Other assets | 6,437 | 15,528 |
| Net assets-discont. oper. | 5,001 | — |
| Total Assets | $ 127,754 | $ 209,313 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 10,538 | $ 16,485 |
| Accts. payable | 11,098 | 16,284 |
| Accruals | 21,641 | 23,018 |
| Deferred inc. taxes | (1,479) | 542 |
| Curr. Liabilities | $ 41,798 | $ 56,329 |
| Long-term debt | 46,925 | 53,633 |
| Deferred inc. taxes | — | 8,174 |
| Other liabilities | 924 | — |
| +Preferred inc. taxes | 43 | 43 |
| ++Common stock | 975 | 974 |
| Add. paid-in capital | 57,776 | 57,664 |
| Retained earnings | (9,830) | 40,732 |
| Curr. trans. adj. | (256) | (143) |
| Treasury stock | (10,601) | (8,093) |
| Total Liabilities & Shareholders' Equity | $ 127,754 | $ 209,313 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $1 par value; Series A, 9% cumulative convertible.
++ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 4.35 | 2.84 |
| Debt to Equity | 1.51 | 0.77 |
| Working Capital | $ 30,741,000 | $ 72,051,000 |
| Current Ratio | 1.74 | 2.28 |
| Shareholders' Equity | $ 38,107,000 | $ 91,177,000 |

## NHD Stores, Inc.

(formerly National Hardgoods Distributors Inc.)

365 Washington Street
Stoughton, Massachusetts 02072
(508) 341-1810

**Officers:** Sheldon M. Woolf, president; Arthur M. Kagan, v.p. & treasurer; Jerry L. Goad, exec. v.p.; Douglas M. Cohen, v.p.-finance; Joseph Quaresima, v.p. & gen. mdse. mgr.; John P. Ahearn, v.p.-management information systems; Anita Lofchie, v.p.-advertising; Milton Bordwin, clerk.

**Directors:** Sheldon M. Woolf, Martin E. Feldman, Melvin Weinstein, Howard Rubin, Arthur M. Kagan.

**Business Activities:** Operates a chain of 33 "NHD Super Hardware Stores," in Massachusetts, Rhode Island, New Hampshire, and Connecticut. Hardgood merchandise includes automotive accessories, home furnishings, paint, housewares, and garden and patio goods.

**Transfer Agent(s):**

Continental Stock Transfer Corporation
New York, New York

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** NHDI (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 33 | 1986 | 20 |
| 1988 | 31 | 1985 | 19 |
| 1987 | 26 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 51,443,592 | $ 1,036,378 |
| 1988 | 45,751,948 | 846,016 |
| 1987 | 36,360,793 | 956,144 |
| 1986 | 33,500,995 | 488,679 |
| 1985 | 32,402,526 | 742,723 |

| | No. of Com. Shares # | Earn. per Share ‡ |
|---|---|---|
| 1989 | 1,302,626 | $ 0.79 |
| 1988 | 1,302,626 | 0.63 |
| 1987 | 1,355,026 | 0.70 |
| 1986 | 1,355,135 | 0.36 |
| 1985 | 1,355,135 | 0.55 |

# Adjusted to reflect stock dividends.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | — |
| 1987 | — | 10% | — |
| 1986 | — | — | — |
| 1985 | — | 50% | — |

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 9,270,356 | $ 7.12 |
| 1988 | 8,233,978 | 6.32 |
| 1987 | 7,670,812 | 5.66 |
| 1986 | 6,715,596 | 4.96 |
| 1985 | 6,226,917 | 4.60 |

‡ Adjusted to reflect stock dividends.

### Income Account

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 51,443,592 | $ 45,751,948 |
| Cost of sales & store oper. exp. | 45,416,718 | 40,713,853 |
| Expenses | 2,572,097 | 2,115,570 |
| Depreciation & amortization | 1,180,195 | 986,717 |
| Interest expense | 528,204 | 406,855 |
| Income before taxes | $ 1,746,378 | $ 1,528,953 |
| Income taxes | 710,000 | 684,937 |
| Net Income | $ 1,036,378 | $ 844,016 |

### Assets

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 271,574 | $ 559,327 |
| Marketable securities | 508,689 | 83,279 |
| Accts. receiv., net | 448,923 | 268,383 |
| *Inventories | 18,079,220 | 13,333,537 |
| Prepaid expenses | 524,932 | 410,890 |
| Curr. Assets | $ 19,833,338 | $ 14,655,416 |
| #Fixed assets | 3,791,464 | 3,386,100 |
| Other assets | 885,249 | 798,942 |
| Total Assets | $ 24,510,051 | $ 18,840,458 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ 21,062 | $ 280,355 |
| Notes payable | — | 500,000 |
| Accts. payable | 7,916,317 | 4,747,139 |
| Accruals | 1,362,608 | 783,404 |
| Income taxes | 236,541 | 169,276 |
| Curr. Liabilities | $ 9,536,528 | $ 6,480,174 |
| Long-term debt | 5,310,667 | 3,731,306 |
| Other deferred liab. | 392,500 | 395,000 |
| +Common stock | 135,503 | 135,503 |
| Add. paid-in capital | 2,325,806 | 2,325,806 |
| Retained earnings | 7,089,897 | 6,053,519 |
| Treasury stock | (280,850) | (280,850) |
| Total Liabilities & Shareholders' Equity | $ 24,510,051 | $ 18,840,458 |

* At lower of cost (FIFO) or market using the retail method.
# Less accumulated depreciation.
+ $0.10 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.39 | 3.34 |
| %Net Income to Sales | 2.01 | 1.84 |
| %Net Income to Equity | 11.18 | 10.25 |
| Sales to Inventories | 2.85 | 3.43 |
| Debt to Equity | 0.58 | 0.55 |
| Working Capital | $ 10,296,810 | $ 8,249,157 |
| Current Ratio | 2.08 | 2.27 |
| Shareholders' Equity | $ 9,270,356 | $ 8,233,978 |

## Nordstrom, Inc.

1501 Fifth Avenue
Seattle, Washington 98101
(206) 628-2111

**Officers:** Bruce A. Nordstrom, co-chairman of the board; John N. Nordstrom, co-chairman of the board; James F. Nordstrom, co-chairman of the board; John A. McMillan, president; Robert E. Bender, sr. v.p.; John A. Goesling, sr. v.p. & treasurer; Barden Erickson, v.p.; Jack Irving, v.p.; Elizabeth Sanders, v.p.; Raymond A. Johnson, v.p.; Robert T. Nunn, v.p.; Cynthia C. Demme, v.p.; R. Gary Baughn, v.p.; Dale Crichton, v.p.; Darrel Hume, v.p.; Gail Cottle, v.p.; Suzanne Patneaude, v.p.; Malinda Walderhaug, v.p.; Paul Hunter, v.p.; Galen Jefferson, v.p.; Karen E. Purpur, secretary.

**Directors:** Bruce A. Nordstrom*, John N. Nordstrom*, John A. McMillan*, James F. Nordstrom*, Robert E. Bender, D. Wayne Gittinger, John F. Harrigan, Malcolm T. Stamper, Elizabeth Crownhart Vaughan, Charles A. Lynch, William D. Ruckelshaus, Alfred E. Osborne, Jr., Barbara Hackman Franklin.

* Member of the Executive Committee

**Business Activities:** Operates a chain of retail specialty stores and clearance stores in Washington, Oregon, Alaska, California, Utah and Virginia, and leased shoe departments in Hawaii.

**Subsidiaries:**

Nordstrom Credit Inc.
Nordstrom Realty, Inc.

**Transfer Agent(s):**

First Interstate Bank of California

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** NOBE (NASDAQ)

**Number of Stores** (at fiscal year end)

| | Specialty Stores | Shoe Stores |
|---|---|---|
| 1989 | 48 | — |
| 1988 | 46 | — |
| 1987 | 45 | 1 |
| 1986 | 44 | 1 |
| 1985 | 39 | 1 |

| | Clearance Stores | Leased Shoe Depts. |
|---|---|---|
| 1989 | 10 | 11 |
| 1988 | 10 | 11 |
| 1987 | 8 | 11 |
| 1986 | 7 | 11 |
| 1985 | 4 | 10 |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 2,327,946,000 | $ 123,332,000 |
| 1988 | 1,920,231,000 | 92,733,000 |
| 1987 | 1,629,918,000 | 72,939,000 |
| 1986 | 1,031,857,000 | 50,079,000 |
| 1985 | 958,678,000 | 40,711,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 81,416,708 | $ 1.51 |
| 1988 | 81,759,138 | 1.13 |
| 1987 | 81,612,098 | 0.91 |
| 1986 | 80,713,956 | 0.65 |
| 1985 | 74,747,372 | 0.54 |

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

### Common Stock

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.22 | — | — |
| 1988 | 0.18 | — | |
| 1987 | 0.13 | — | 2-for-1 |
| 1986 | 0.11 | — | — |
| 1985 | 0.10 | — | — |

† Adjusted to reflect stock splits.

### Common Stock Equity

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1989 | $ 639,941,000 | $ 7.86 |
| 1988 | 533,209,000 | 6.55 |
| 1987 | 451,196,000 | 5.57 |
| 1986 | 314,119,000 | 4.22 |
| 1985 | 271,709,000 | 3.65 |

† Adjusted to reflect stock splits.

### Income Account* (000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 2,327,946 | $ 1,920,231 |
| Cost of sales | 1,564,056 | 1,300,883 |
| Expenses | 582,973 | 477,488 |
| Interest expense | 39,977 | 32,952 |
| Service charge inc. | (57,492) | (53,825) |
| Income before taxes | $ 198,432 | $ 162,733 |
| Income taxes | 75,100 | 70,000 |
| Net Income | $ 123,332 | $ 92,733 |

* Included in Costs and Expenses, Depreciation and Amortization: $60,599,000 in 1989 and $50,090,000 in 1988.

### Assets (000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 3,922 | $ 4,049 |
| Short-term invest. | 12,136 | 900 |
| Accts. receiv., net | 481,580 | 404,615 |
| *Inventories | 403,795 | 312,696 |
| Prepaid expenses | 13,513 | 7,922 |
| Current Assets | $ 914,946 | $ 730,182 |

| | | |
|---|---|---|
| #Fixed assets | 594,038 | 502,661 |
| Other assets | 2,719 | 1,424 |
| Total Assets | $ 1,511,703 | $ 1,234,267 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 19,696 | $ 21,091 |
| Notes payable | 95,903 | 88,795 |
| Accts. payable | 190,755 | 166,524 |
| Accruals | 26,452 | 22,267 |
| Accrued payroll and taxes | 94,369 | 78,937 |
| Income taxes | 20,990 | 17,085 |
| Curr. Liabilities | $ 448,165 | $ 394,699 |
| Long-term debt | 346,471 | 215,300 |
| Obligations under cap. leases | 23,049 | 23,952 |
| Deferred taxes | 54,077 | 67,107 |
| + Common stock | 147,629 | 146,317 |
| Retained earnings | 492,312 | 386,892 |
| Total Liabilities & Shareholders' Equity | $ 1,511,703 | $ 1,234,267 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 8.52 | 8.47 |
| % Net Income to Sales | 5.30 | 4.83 |
| % Net Income to Equity | 19.27 | 17.39 |
| Sales to Inventories | 5.77 | 6.14 |
| Debt to Equity | 0.76 | 0.65 |
| Working Capital | $ 466,781,000 | $ 335,483,000 |
| Current Ratio | 2.04 | 1.85 |
| Shareholders' Equity | $ 639,941,000 | $ 533,209,000 |

## Nortek, Inc.

50 Kennedy Plaza
Providence, Rhode Island 02903
(401) 751-1600

**Officers:** Ralph R. Papitto, chairman of the board & chief exec. officer; Richard L. Bready, president, chief financial & chief operating officer; William J. Wind, v.p.-group operations; George C. Neumann, v.p.-group operations; John R. Potter, v.p., general counsel & secretary; Almon C. Hall, v.p., controller & chief accounting officer; Richard J. Harris, v.p. & treasurer; Bruce E. Fleming, v.p.-corp. development; Joseph Morrow, group v.p.-Aerospace Division; Thomas A. Abramczyk, v.p.-international division.

**Directors:** Ralph R. Papitto, chairman; Richard L. Bready, Richard J. Harris, Philip B. Brooks, Richard H. Hochman, Malcolm M. Donahue, Victoria Lederberg, Guido R. Salvadore.

**Areas of Work:** Through the Dixieland Lumber Company, the Company operates 10 retail home centers and a wholesale lumber outlet in the metropolitan San Diego area. Through these stores the Company markets a wide range of building supplies, equipment and tools to the home construction remodeling and do-it-yourself markets. Other operations are organized into two business segments. In the area of Commercial and Residential Building Products are included doors and windows, home security systems, bathroom fixtures, faucets and vanities, home ventilation equipment, range hoods, bathroom cabinets, lighting fixtures, sound system intercoms, and heating and cooling systems. In the area of Aerospace and Industrial Products are included fasteners for military and commercial aircraft, air-powered tools and line support clamps for the aerospace and construction industries, landing gear and precision metal components, and self-contained sanitation units.

**Divisions and Subsidiaries:**

Broan Mfg. Co., Inc.
P.O. Box 140
Hartford, Wisconsin 53027

Monarch Metal Products Corporation
1901 Estes Ave.
Elk Grove Village, Illinois 60007

M & S Systems, Inc.
2861 Congressman Lane
Dallas, Texas 75201

Jensen Industries, Inc.
1946 East Yeth Street
Los Angeles, California 90058

Dixieline Lumber Company
San Diego, California

Monogram Aerospace Fasteners
3423 South Garfield Ave.
Los Angeles, California 90040

Custom Craft
8557 Higuera St.
Culver City, California 90230

J & M Products, Inc.
1919 Victory Place
Burbank, California 91504

Nordyne
10820 Sunset Office Drive
St. Louis, Missouri 63127

Textone, Inc.
Mammoth
Governair
Temtrol

Peacock Engineering
10620 Firestone Boulevard
Norwalk, California 90650

Sanitation Group
4030 Freeman Boulevard
Redondo Beach, California 90278

Monogram Sanitation
4030 Freeman Boulevard
Redondo Beach, California 90278

Chester Hoist
Salem Road
Lisbon, Ohio 44432

AFC
55 Samuel Barnett Boulevard
New Bedford, Massachusetts 02745

Quality Aluminum Forge, Inc.
Orange, California
Manufactures aluminum precision forgings.

Broan, Ltd.
Manufactures range hoods, fans, heaters, central vacuums, door chimes, lighting fixtures and other residential products.

Universal-Rundle Corporation
Manufactures bath products, including tubs, lavatories, faucets, fixtures, vanities, and medicine cabinets.

L. J. Smith, Inc.
Manufactures custom hardwood stairs and stair rail parts.

Mohawk Flush Doors, Inc.
Northumberland, Pennsylvania
South Bend, Indiana
Manufactures interior hollow core flush doors.

American Door Company of Michigan, Inc.
Walkerton, Indiana
Manufactures interior hollow core flush doors.

Bend Millwork Company/Pozzi Window Co.
Manufactures exterior wood doors, insulated windows and millwork.

Linear Corp.
2055 Corte Del Nogal
Carlsbad, California 92009
Production of home security systems and garage door operators.

Bradford-White Corp.
24th & Ellsworth Streets
Philadelphia, Pennsylvania 19146
Production of gas and electric water heaters.

Shower-Rite
7519 South Greenwood Avenue
Chicago, Illinois 60619
Production of shower and tub enclosures.

**Acquisition:**

Aubrey Manufacturing, Inc.
Union, Illinois
Manufactures Air Care range hoods, fans and portable heaters.

**Transfer Agent(s):**

State Street Bank and Trust Company
Boston, Massachusetts 02101

**Stock Exchange(s):** New York

**Ticker Symbol:** NTK

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 11 | 1986 | 5 |
| 1987 | 9 | | |

**Sales & Earnings**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 1,224,237,000 | $ 19,600,000 |
| 1987 | 1,056,696,000 | (7,250,000) |
| 1986 | 727,339,000 | 29,000 |
| 1985 | 341,267,000 | 17,600,000 |
| 1984 | 253,229,000 | 16,900,000 |

| | No. of Com. Shares † | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 14,379,698 | $ 1.34 |
| 1987 | 15,228,898 | — |
| 1986 | 16,238,000 | 2.00 |
| 1985 | 13,269,000 | 1.52 |
| 1984 | 9,123,000 | 1.83 |

+ Of continuing operations only.
‡ Including extraordinary gain of $6,400,000 ($0.44 per share) in 1988 and extraordinary losses of $350,000 in 1987 and $8,000,000 ($0.55 per share) in 1986.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business (000's)**

| | 1988 | 1987 |
|---|---|---|
| Commerical & residential building products | $ 1,138,961 | $ 972,091 |
| Aerospace & industrial prods. | 86,460 | 79,791 |
| Businesses sold | 1,816 | 4,814 |
| Total | $ 1,224,237 | $ 1,056,696 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.140 | — | — |
| 1987 | 0.140 | — | |
| 1986 | 0.095 | — | 4-for-3 |
| 1985 | 0.080 | — | — |
| 1984 | 0.080 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 234,851,000 | $ 16.33 |
| 1987 | 222,822,000 | 14.63 |
| 1986 | 240,829,000 | 14.83 |
| 1985 | 177,793,000 | 13.40 |
| 1984 | 127,343,000 | 13.96 |

‡ Adjusted to reflect stock split.

**Income Account** * (000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 1,224,237 | $ 1,056,696 |
| Cost of sales | 941,816 | 800,052 |
| Expenses | 247,713 | 189,561 |
| Interest and debt expense | 68,503 | 64,165 |
| Interest income | (29,195) | (29,782) |
| Loss (gain) on sale of secur. | (11,000) | 23,300 |
| Income bef. taxes | $ 6,400 | $ 9,400 |
| Income taxes | 4,900 | 5,100 |
| Inc.-cont. oper. | $ 1,500 | $ 4,300 |
| Inc. (loss)-discont. oper. | 11,700 | (11,000) |
| Net Income (Loss) | $ 13,200 | $ (6,700) |
| Extraord. items | 6,400 | (550) |
| Net Income (Loss) & extraord. items | $ 19,600 | $ (7,250) |

* Included in Costs and Expenses, Depreciation and Amortization: $35,259,000 in 1988 and $28,599,000 in 1987.

**Assets** (000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 40,210 | $ 66,561 |
| Market. securities | 200,679 | 213,155 |
| Accts. receiv., net | 189,005 | 153,700 |
| *Inventories | 198,255 | 189,968 |
| Net assets - discont. oper. | 18,257 | 56,334 |
| Current Assets | $ 646,406 | $ 679,718 |
| #Fixed assets | 196,500 | 187,391 |
| Intangibles | 135,487 | 142,432 |
| Def. debt exp. | 10,211 | 12,629 |
| Invest. in Stanley Interiors | — | 24,018 |
| Net assets - discont. oper. | 9,031 | 16,808 |
| Other assets | 54,565 | 40,295 |
| Total Assets | $ 1,052,200 | $ 1,103,291 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 50,832 | $ 92,272 |
| Accts. payable | 79,874 | 69,232 |
| Accruals | 93,648 | 74,492 |
| Curr. Liabilities | $ 224,354 | $ 235,996 |
| Long-term debt | 154,162 | 166,120 |
| Sr. subord. deben. | 232,863 | 241,616 |
| Subord. deben. | 90,592 | 92,240 |
| Convert. deben. | 78,213 | 113,250 |
| Other liabilities | 37,165 | 31,247 |
| +Common stock | 14,928 | 14,617 |
| +Special common stock | 1,578 | 1,787 |
| Add. paid-in capital | 138,055 | 136,707 |
| Retained earnings | 110,055 | 91,838 |
| Treasury stock | (23,801) | (15,263) |
| Deferred comp. | (5,964) | (6,864) |
| Total Liabilities & Shareholders' Equity | $ 1,052,200 | $ 1,103,291 |

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and depletion.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 5.62 | — |
| Sales to Inventories | 6.18 | 5.56 |
| Debt to Equity | 0.87 | 1.16 |
| Working Capital | $ 422,052,000 | $ 443,722,000 |
| Current Ratio | 2.88 | 2.88 |
| Shareholders' Equity | $ 234,851,000 | $ 222,822,000 |

## Office Depot, Inc.

851 Broken Sound Parkway, N.W.
Boca Raton, Florida 33487
(407) 994-2131

**Officers:** David I. Fuente, chairman of the board & chief executive officer; Stephen L. Dougherty, president & chief operating officer; Jack D. Kopkin, exec. v.p. & general merchandise manager; Barry J. Goldstein, v.p.-finance, chief financial officer & secretary.

**Directors:** David I. Fuente, chairman; Stephen L. Dougherty, Jack D. Kopkin, Gerald R. Gallagher, David R. Jaffe, Alan L. Wurtzel, Michael J. Myers.

**Business Activities:** Operates a chain of 26 large-volume office supply stores located in Florida, Georgia, Texas, North Carolina, Tennessee, and Kentucky that sell brand-name office products primarily to small and medium-sized businesses.

**Transfer Agents:**

Southeast Bank, N.A.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** ODEP (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 26 | 1986 | 3 |
| 1987 | 10 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988° | $ 132,035,000 | $ 3,797,000 |
| 1987 | 33,683,000 | (2,292,000) |
| 1986+ | 1,952,000 | (1,003,000) |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1988° | 7,517,975 | $ 0.52 |
| 1987 | 2,383,332 | — |
| 1986+ | 2,356,666 | — |

(Loss)
° 53 weeks.
+ 9 months.
† Including extraordinary gain of $648,000 ($0.09 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity † | Equity Per Share |
|---|---|---|
| 1988 | $ 28,845,000 | $ 3.84 |
| 1987 | (2,513,000) | — |
| 1985 | 574,000 | 0.24 |

(Deficiency)
† After allowing for preferred stock at redemption values.

**Income Account***

| Year ended | 12/31/88 (53 weeks) | 12/26/87 |
|---|---|---|
| Net sales | $ 132,035,000 | $ 33,683,000 |
| Cost of sales | 99,300,000 | 25,703,000 |
| Expenses: | | |
| Oper. & selling | 23,263,000 | 6,991,000 |
| Pre-opening | 1,640,000 | 602,000 |
| Gen. & adm. | 6,451,000 | 2,691,000 |
| Interest expense | 112,000 | 85,000 |
| Interest income | (583,000) | (97,000) |
| Life insur. proceeds | (2,000,000) | — |
| Income (loss) before taxes | $ 3,852,000 | $ (2,292,000) |
| Income taxes | 703,000 | — |
| Net Income (Loss) | $ 3,149,000 | $ (2,292,000) |
| Extraord. gain | 648,000 | — |
| Net Income (Loss) & extraord. gain | $ 3,797,000 | $ (2,292,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $963,000 in 1988 and $241,000 in 1988.

**Assets**

| As of | 12/31/88 | 12/26/87 |
|---|---|---|
| Cash & cash equiv. | $ 5,068,000 | $ 3,119,000 |
| Accts. receiv., net | 2,218,000 | 536,000 |
| *Inventories | 42,840,000 | 11,479,000 |
| Prepaid expenses | 721,000 | 139,000 |
| Current Assets | $ 50,867,000 | $ 15,273,000 |
| #Fixed assets | 13,748,000 | 4,178,000 |
| Deposits | 371,000 | 136,000 |
| Other assets | 186,000 | 4,000 |
| Total Assets | $ 65,172,000 | $ 19,591,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 184,000 | $ 97,000 |
| Accts. payable | 31,334,000 | 8,307,000 |
| Accruals | 4,229,000 | 1,551,000 |
| Curr. Liabilities | $ 35,747,000 | $ 9,955,000 |
| Long-term debt | 317,000 | 213,000 |
| Deferred credit | 263,000 | 299,000 |
| +Preferred stock: | | |
| Class A-6% redeem. | — | 745,000 |
| 8% convertible | — | 10,892,000 |
| ++Common stock | 78,000 | 24,000 |
| Add. paid-in capital | 30,015,000 | 758,000 |
| Retained earnings (deficit) | 502,000 | (3,295,000) |
| Treasury stock | (1,750,000) | — |
| Total Liabilities & Shareholders' Equity | $ 65,172,000 | $ 19,591,000 |

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; cumulative.
++ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.92 | — |
| %Net Income to Sales | 2.38 | — |
| %Net Income to Equity | 10.92 | — |
| Sales to Inventories | 3.08 | 2.93 |
| Debt to Equity | 0.02 | 0.03 |
| Working Capital | $ 15,120,000 | $ 5,318,000 |
| Current Ratio | 1.42 | 1.53 |
| Shareholders' Equity | $ 28,845,000 | $ 9,124,000 |

## One Price Clothing Stores, Inc.

290 Commerce Park
Highway 290
Duncan, South Carolina 29334
(803) 439-8666

## One Price Clothing Stores, Inc.

**Mailing address:**
P.O. Box 2487
Spartanburg, South Carolina 29304-2487

**Officers:** Henry D. Jacobs, Jr., chairman & chief executive officer; Brian P. Woolf, president & chief operating officer; Raymond S. Waters, exec. v.p., secretary & treasurer; John M. Waters, v.p., chief financial officer & asst. secretary.

**Directors:** Henry D. Jacobs, Jr., Raymond S. Waters, J. Randall Groves, John M. Waters, Charles D. Moseley, Jr., Brian P. Woolf, David F. Bellet.

**Business Activities:** Operates 155 off-price women's specialty stores offering women's apparel for the uniform price of $6. Stores are located in North Carolina, South Carolina, Georgia, Tennessee, Virginia, West Virginia, Alabama and florida.

**Transfer Agent(s):**

Citizens and Southern Trust Company (Georgia), N.A.
P.O. Box 105555
Atlanta, Georgia 30348-5555

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** ONPR (NASDAQ)

**Number of Stores** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 155 | 1986 | 52 |
| 1987 | 95 | 1985 | 20 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 63,816,520 | $ 3,844,294 |
| 1987 | 41,235,959 | 2,727,546 |
| 1986 | 24,999,000 | 2,012,000 |
| 1985 | 7,117,000 | 585,000 |
| 1984* | 474,000 | 70,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 6,535,085 | $ 0.59 |
| 1987 | 6,225,969 | 0.44 |
| 1986 | 5,647,369 | 0.36 |
| 1985 | 4,931,648 | 0.12 |
| 1984* | 4,554,322 | 0.02 |

* 7 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 16,049,913 | $ 2.46 |
| 1987 | 12,103,118 | 1.94 |
| 1986 | 2,704,478 | 0.48 |
| 1985 | 692,274 | 0.14 |
| 1984 | 100,420 | 0.02 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account**

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 63,816,520 | $ 41,235,959 |
| Cost of sales | 42,111,311 | 27,544,589 |
| Expenses | 14,996,678 | 8,840,447 |
| Depreciation & amortization | 715,271 | 308,510 |
| Interest expense | 4,688 | 3,900 |
| Interest income | (195,722) | (307,033) |
| Income before taxes | $ 6,184,294 | $ 4,845,546 |
| Income taxes | 2,340,000 | 2,118,000 |
| Net Income | $ 3,844,294 | $ 2,727,546 |

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 5,194,713 | $ 5,633,435 |
| Cert. of deposit | — | 2,000,000 |
| Misc. receiv. | 124,745 | 52,847 |
| Prepaid expenses | 87,913 | 70,313 |
| *Inventories | 6,820,132 | 3,092,091 |
| Deferred inc. taxes | 259,000 | 115,000 |
| Current Assets | $ 12,486,503 | $ 10,963,686 |
| #Fixed assets | 10,318,660 | 6,535,125 |
| Other assets | 57,155 | 13,912 |
| Total Assets | $ 22,862,318 | $ 17,512,723 |

**Liabilities**

| | | |
|---|---|---|
| Accts payable | $ 4,190,936 | $ 3,756,079 |
| Accrued payroll | 750,458 | 225,898 |
| Accrued taxes | 116,982 | 60,928 |
| Accrued sales tax | 488,006 | 358,125 |
| Accrued rents | 121,737 | 173,550 |
| Income taxes | 737,286 | 595,025 |
| Curr. Liabilities | $ 6,405,405 | $ 5,169,605 |
| Deferred inc. taxes | 407,000 | 240,000 |
| +Common stock | 64,728 | 64,581 |
| Add. paid-in capital | 6,768,533 | 6,666,179 |
| Retained earnings | 9,216,652 | 5,372,358 |
| Total Liabilites & Shareholders' Equity | $ 22,862,318 | $ 17,512,723 |

* At lower of average unit cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 9.69 | 11.75 |
| %Net Income to Sales | 6.02 | 6.61 |
| %Net Income to Equity | 23.95 | 22.54 |
| Sales to Inventories | 9.36 | 13.34 |
| Working Capital | $ 6,081,098 | $ 5,794,081 |
| Current Ratio | 1.95 | 2.12 |
| Shareholders' Equity | $ 16,049,913 | $ 12,103,118 |

## The Oshawa Group Limited

302 The East Mall
Etobicoke, Ontario, M9B 6B8, Canada
(416) 236-1971

**Officers:** Ray D. Wolfe, chairman of the board & chief exec. officer; Allister P. Graham, president & chief operating officer; Philip F. Connell, sr. v.p. & chief financial officer; William L. Atkinson, group v.p.-general merchandise; Jack B. Wolfe, group v.p.-food service and produce companies; Jonathan A. Wolfe, group v.p.-food; Sam Crystal, v.p.-public affairs; Paul B. Nielsen, v.p.-industrial relations; G. Michael Moffat, v.p.-business planning; Sidney Pasoff, v.p.-management information services; Donald A. Smith, v.p.-human resources; E. Leonard Besler, controller; Leonard Eisen, treasurer; Harold J. Wolfe, v.p.-real estate & secretary; Elizabeth Wolfe, general counsel.

**Directors:** William L. Atkinson, Allister P. Graham, Charles Perrault, Arthur J. R. Smith, Harold J. Wolfe, Harvey S. Wolfe, Philip F. Connell, Ray D. Wolfe, Jack B. Wolfe, Jonathan A. Wolfe, Donald Carr.

**Business Activities:** Canadian food supplier through retail outlets in Ontario, Quebec, the Atlantic provinces, Manitoba and Saskatchewan. These comprise franchise markets (including IGA markets) as well as company-owned food markets (Food City Markets, IGA, Dutch Boy Food Markets). Also a food wholesaler (Codville Distributors in Manitoba, Saskatchewan and Northwestern Ontario; Oshawa Foods Division in Ontario; Hudon et Deaudelin limitee in Quebec, and Bolands Limited in the Atlantic Provinces) and food supplier to institutional customers (Hickeson-Langs Supply Company). The Ontario Produce Company and White & Co. operate 39 Towers Department Stores in Ontario and the Atlantic Provinces and nine Bonimart Department Stores in Quebec. Kent Drugs Limited, a subsidiary, operates 34 Drug City and 14 Metro Drugs drug stores, and 25 pharmacies in company-owned department stores and supermarkets. Pharma Plus Drugmarts Ltd. operates 108 Pharma Plus drug stores in Ontario. Also operates real estate subsidiaries.

**Divisions and Subsidiaries:**

Bolands Limited
Codville Distributors
Kent Drugs Limited
Langs Cold Storage
The Ontario Produce Company
Restaurants Division
Towers Department Stores Inc.
Hudon et Deaudelin limitee
Model Uniform Rental Services Ltd.
Dutch Boy Food Markets
Hickeson-Langs Supply Company
Real Estate Division
The White & Company
Oshawa Foods
Beverage Dispenser Division
Elliott Marr and Company Limited
Pharma Plus Drugmarts Ltd.

**Transfer Agent(s):**

Montreal Trust
Toronto, Montreal, Calgary, Vancouver and Regina, Canada

**Stock Exchange(s):** Toronto, Montreal

**Ticker Symbol:** OSH.A

**Number of Stores:** (at fiscal year end)

| | IGA Associates and Other Franchise Food Markets | Company Owned Food Markets |
|---|---|---|
| 1989 | 1,291 | 102 |
| 1988 | 1,199 | 105 |
| 1987 | 1,100 | 105 |
| 1986 | 1,041 | 112 |
| 1985 | 1,012 | 82 |

| | Disc. Dept. Stores | Restaurants and Snack Bars |
|---|---|---|
| 1989 | 48 | 48 |
| 1988 | 49 | 49 |
| 1987 | 49 | 51 |
| 1986 | 48 | 53 |
| 1985 | 48 | 54 |

| | Pharmacies | Drug Marts |
|---|---|---|
| 1989 | 25 | 156 |
| 1988 | 23 | 50 |
| 1987 | 22 | 50 |
| 1986 | 23 | 50 |
| 1985 | 22 | 47 |

### Sales & Earnings

| | Net Sales (000's) | Net Income # (000's) |
|---|---|---|
| 1989* | $ 4,274,535 | $ 56,870 |
| 1988 | 3,804,015 | 49,887 |
| 1987 | 3,526,098 | 47,251 |
| 1986 | 3,102,447 | 40,986 |
| 1985 | 2,665,774 | 36,179 |

| | No. of Com. Shares + | Earn. per Share #‡ |
|---|---|---|
| 1989* | 32,113,828 | $ 1.78 |
| 1988 | 31,982,929 | 1.56 |
| 1987 | 31,888,946 | 1.48 |
| 1986 | 31,856,742 | 1.29 |
| 1985 | 31,787,492 | 1.14 |

* 53 weeks.
# Including extraordinary gains of $4,023,000 ($0.12 per share) in 1987, and $126,000 ($0.01 per share) in 1986.
+ Class A and common shares combined outstanding adjusted to reflect stock splits.
‡ Based on the weighted average Class A and common shares combined outstanding adjusted to reflect stock splits.

### Revenues by Line of Business (000's)

| | 1988 | 1988 |
|---|---|---|
| Food distribution | $ 3,585,153 | $ 3,218,994 |
| General merchandise | 686,211 | 582,784 |
| Real estate | 3,171 | 2,237 |
| Total | $ 4,274,535 | $ 3,804,015 |

### Common Stock

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.3500 | — | — |
| 1988 | 0.3100 | — | — |
| 1987 | 0.2725 | — | 2-for-1 |
| 1986 | 0.2400 | — | — |
| 1985 | 0.2025 | — | 2-for-1 |

‡ Class A and common shares combined adjusted to reflect stock splits.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 389,645,000 | $ 12.13 |
| 1988 | 341,374,000 | 10.67 |
| 1987 | 299,579,000 | 9.39 |
| 1986 | 260,381,000 | 8.17 |
| 1985 | 226,084,000 | 7.11 |

‡ Class A and common shares combined outstanding adjusted to reflect stock splits.

### Income Account (000's)

| Year ended | 1/28/89 (53 weeks) | 1/23/88 |
|---|---|---|
| Net sales | $ 4,274,535 | $ 3,804,015 |
| Cost of sales & expenses | 4,144,429 | 3,685,267 |
| Depreciation & amortization | 29,022 | 25,179 |
| Interest expense | 6,452 | 5,054 |
| Int. & dividends earned | (4,774) | (5,692) |
| Income before taxes | $ 99,406 | $ 94,207 |
| Income taxes | 42,536 | 44,320 |
| Net Income | $ 56,870 | $ 49,887 |

### Assets (000's)

| As of | 1/28/89 | 1/23/88 |
|---|---|---|
| Cash & marketable sec. | $ 3,058 | $ 46,879 |
| Accts. receiv., net | 136,617 | 115,898 |
| Real estate held for sale | 1,943 | 1,706 |
| *Inventories | 324,836 | 246,818 |
| Prepaid expenses | 12,944 | 8,694 |
| Current Assets | $ 479,398 | $ 419,995 |
| #Fixed assets | 291,031 | 227,682 |
| Other assets | 24,730 | 25,257 |
| Total Assets | $ 795,159 | $ 672,934 |

### Liabilities (000's)

| | | |
|---|---|---|
| Bank indebtedness & notes payable | $ 58,610 | $ 34,318 |
| Long-term debt, curr. | 813 | 496 |
| Accts. pay. & accruals | 278,692 | 224,303 |
| Income taxes payable | 7,695 | 13,309 |
| Curr. Liabilities | $ 345,810 | $ 272,426 |
| Long-term debt | 38,213 | 38,165 |
| Deferred inc. taxes | 21,491 | 20,969 |
| +Common stock | 44 | 44 |
| +Class A stock | 100,292 | 97,683 |
| Retained earnings | 289,309 | 243,647 |
| Total Liabilities & Shareholders' Equity | $ 795,159 | $ 672,934 |

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.33 | 2.48 |
| %Net Income to Sales | 1.33 | 1.31 |
| %Net Income to Equity | 14.60 | 14.61 |
| Sales to Inventories | 13.16 | 15.41 |
| Debt to Equity | 0.25 | 0.21 |
| Working Capital | $ 133,588,000 | $ 147,569,000 |
| Current Ratio | 1.39 | 1.54 |
| Shareholders' Equity | $ 389,645,000 | $ 341,374,000 |

## Oshkosh B'Gosh, Inc.

112 Otter Avenue
Oshkosh, Wisconsin 54901
(414) 231-8800

Mailing address:
P.O. Box 300
Oshkosh, Wisconsin 54902

**Officers:** C. F. Hyde, president & chief exec. officer; T. R. Wyman, exec. v.p.; W. P. Jacobsen, v.p. & treasurer; J. F. Beckman, v.p.-sales & marketing; A. S. Giordano, v.p.-manufacturing; S. R. Duback, secretary; K. H. Masters, asst. v.p.-manufacturing; D. W. Hyde, v.p.-merchandising; M. D. Wachtel, v.p.-operations.

**Directors:** C. F. Hyde, W. P. Jacobsen, T. R. Wyman, S. R. Duback, J. C. Pickard, O. J. Bradley, D. W. Hyde, E. F. Leyhe, M. D. Wachtel.

**Business Activities:** Designs, manufactures and markets workwear and sportswear for adults, and casualwear and playwear for children, under the OshKosh B'Gosh and OshKosh names. Also operates 14 Genuine Article factory retail outlets in six states.

**Subsidiary:**

Oshkosh B'Gosh International Sales, Inc.
Oshkosh, Wisconsin

**Transfer Agent(s):**

Harris Trust and Savings Bank
111 West Monroe
P.O. Box 755
Chicago, Illinois 60690

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** GOSHA, GOSHB (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 14 | 1985 | 9 |
| 1987 | 10 | 1984 | 6 |
| 1986 | 9 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 252,994,000 | $ 18,772,000 |
| 1987 | 226,298,000 | 23,899,000 |
| 1986 | 198,197,000 | 20,636,000 |
| 1985 | 162,109,000 | 14,046,000 |
| 1984 | 137,423,000 | 12,853,000 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1988 | 14,585,800 | $ 1.29 |
| 1987 | 14,585,800 | 1.64 |
| 1986 | 14,585,800 | 1.41 |
| 1985 | 14,585,800 | 0.96 |
| 1984 | 14,585,800 | 0.88 |

+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

### Common Stock

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.6500 | — | — |
| 1987 | 0.6300 | — | |
| 1986 | 0.4949 | — | — |
| 1985 | 0.3837 | — | 20-for-1 |
| 1984 | 0.3443 | — | — |

+ Adjusted to reflect stock splits.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 97,186,000 | $ 6.66 |
| 1987 | 83,428,000 | 5.72 |
| 1986 | 64,375,000 | 4.41 |
| 1985 | 47,536,000 | 3.26 |
| 1984 | 36,072,000 | 2.47 |

‡ Adjusted to reflect stock splits.

### Income Account *

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 252,994,000 | $ 226,298,000 |
| Cost of sales | 188,131,000 | 154,619,000 |
| Expenses | 34,158,000 | 29,924,000 |
| Interest expense | 1,228,000 | 649,000 |
| Interest income | (161,000) | (376,000) |
| Royalty income | (845,000) | (960,000) |
| Other expense | 21,000 | 205,000 |
| Income before taxes | $ 30,462,000 | $ 42,237,000 |
| Income taxes | 11,690,000 | 18,338,000 |
| Net Income | $ 18,772,000 | $ 23,899,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $3,582,000 in 1988 and $2,845,000 in 1987.

## Oshkosh B'Gosh, Inc.

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 126,000 | $ 8,903,000 |
| Accts. receiv., net | 20,266,000 | 21,690,000 |
| *Inventories | 73,774,000 | 52,447,000 |
| Prepaid expenses | 180,000 | 439,000 |
| Current Assets | $ 94,346,000 | $ 83,479,000 |
| #Fixed assets | 43,575,000 | 28,951,000 |
| Other assets | 1,144,000 | 841,000 |
| Total Assets | $ 139,065,000 | $ 113,271,000 |

**Liabilities**

| | | |
|---|---|---|
| Short-term borrowings | $ 11,835,000 | $ — |
| Long-term debt, curr. | 1,128,000 | 1,124,000 |
| Accts. payable | 13,603,000 | 11,928,000 |
| Dividends payable | — | 1,003,000 |
| Accruals | 2,643,000 | 2,403,000 |
| Income taxes | 415,000 | 1,642,000 |
| Other curr. liab. | 4,438,000 | 3,112,000 |
| Curr. Liabilities | $ 34,062,000 | $ 21,212,000 |
| Long-term debt | 5,662,000 | 6,790,000 |
| Deferred income taxes | 712,000 | 635,000 |
| Deferred compensation | 1,443,000 | 1,206,000 |
| +Common stock: | | |
| Class A | 128,000 | 128,000 |
| Class B | 18,000 | 18,000 |
| Add. paid-in capital | 2,971,000 | 2,971,000 |
| Retained earnings | 94,069,000 | 80,311,000 |
| Total Liabilities & Shareholders' Equity | $ 139,065,000 | $ 113,271,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 12.04 | 18.66 |
| %Net Income to Sales | 7.42 | 10.56 |
| %Net Income to Equity | 19.32 | 28.65 |
| Sales to Inventories | 3.43 | 4.31 |
| Debt to Equity | 0.19 | 0.09 |
| Working Capital | $ 60,284,000 | $ 62,267,000 |
| Current Ratio | 2.77 | 3.94 |
| Shareholders' Equity | $ 97,186,000 | $ 83,428,000 |

## Oshman's Sporting Goods, Inc.

2302 Maxwell Lane
Houston, Texas 77023
(713) 928-3171

**Officers:** Jeanette Oshman Efron, chairman of the board; Alvin N. Lubetkin, vice chairman of the board, chief exec. officer & chairman exec. committee; Marvin Aronowitz, president & chief operating officer; Joe D. Nanny, sr. v.p.; Charles Rosemond, sr. v.p.; Edgar H. Regan, sr. v.p.; Edward R. Carlin, exec. v.p. & chief financial officer; Allan Lisse, v.p.; Glen B. Boyd, v.p.; A. Lynn Boerner, v.p.; T. Marshall Wilkes, Jr., v.p.; Richard L. Bockart, v.p.; T. Marshall Wilkes, Jr., v.p.; Ray Miller, treasurer; Thomas Queret, corp. controller.

**Directors:** Jeanette Oshman Efron, chairman; Alvin N. Lubetkin*, Marvin Aronowitz*, Fred M. Gerson, Richard L. Bockart*, Paul Stoffel, Judy O. Margolis, Marilyn O. Lubetkin, Edward R. Carlin*, Gerald W. Bodzy, Dolph B. H. Simon, , * Member of the Executive Committee.

* Member of the Executive Committee

**Business Activities:** Operates 193 retail sporting goods specialty stores offering sporting goods equipment and sportswear in 15 states under the Oshman's, Honsport, and SuperSports USA names. Seventy-one of these stores are located in California and 58 are located in Texas. The Company also sells athletic equipment and uniforms to schools and amateur and professional teams.

**Transfer Agent(s):**

MTrust Corp, N.A.
Dallas, Texas

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** OSHM (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 193 | 1986 | 209 |
| 1988 | 213 | 1985 | 192 |
| 1987 | 215 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 304,551,000 | $ 20,120,000 |
| 1988 | 332,700,000 | 3,585,000 |
| 1987 | 322,900,000 | 2,664,000 |
| 1986 | 312,261,000 | 8,536,000 |
| 1985* | 304,419,000 | 10,069,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 5,892,000 | $ 3.41 |
| 1988 | 5,901,000 | 0.61 |
| 1987 | 5,885,000 | 0.45 |
| 1986 | 6,105,000 | 1.40 |
| 1985* | 6,583,000 | 1.53 |

* 53 weeks.
# Based on the weighted average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.70 | — | — |
| 1988 | 0.20 | — | |
| 1987 | 0.20 | — | — |
| 1986 | 0.20 | — | — |
| 1985 | 0.20 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 82,752,000 | $ 14.34 |
| 1988 | 66,195,000 | 11.47 |
| 1987 | 63,747,000 | 10.91 |
| 1986 | 62,938,000 | 10.62 |
| 1985 | 63,909,000 | 9.98 |

**Income Account * (000's)**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 304,551 | $ 332,735 |
| Cost of sales | 185,480 | 203,661 |
| Expenses | 109,988 | 121,357 |
| Interest expense | 2,290 | 3,435 |
| Other income | (998) | (1,389) |
| Gain on sale of Abercrombie & Fitch | (20,951) | — |
| Income before taxes | $ 28,742 | $ 5,671 |
| Income taxes | 10,234 | 2,086 |
| Cum. effect of acct. change | (1,612) | — |
| Net Income | $ 20,120 | $ 3,585 |

* Included in Costs and Expenses, Depreciation and Amortization: $5,272,000 in 1988 and $5,733,000 in 1987.

**Assets (000's)**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 21,568 | $ 4,329 |
| Accts. receiv., net | 4,552 | 7,346 |
| *Inventories | 80,498 | 93,854 |
| Prepaid expenses | 5,107 | 2,112 |
| Current Assets | $ 111,725 | $ 107,641 |
| #Fixed assets | 36,394 | 34,509 |
| Intangibles | 197 | 217 |
| Total Assets | $ 148,316 | $ 142,367 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 3,710 | $ 3,957 |
| Accts. payable | 27,087 | 28,769 |
| Accruals | 12,474 | 13,252 |
| Income taxes | 599 | 3,088 |
| Curr. Liabilities | $ 43,870 | $ 49,066 |
| Long-term debt | 17,765 | 22,975 |
| Deferred inc. taxes | 3,929 | 4,131 |
| +Common stock | 5,772 | 5,772 |
| Add. paid-in capital | 3,098 | 2,621 |
| Retained earnings | 73,882 | 57,802 |
| Total Liabilities & Shareholders Equity | $ 148,316 | $ 142,367 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 9.44 | 1.70 |
| %Net Income to Sales | 6.61 | 1.08 |
| %Net Income to Equity | 24.31 | 5.42 |
| Sales to Inventories | 3.78 | 3.55 |
| Debt to Equity | 0.26 | 0.41 |
| Working Capital | $ 67,855,000 | $ 58,575,000 |
| Current Ratio | 2.55 | 2.19 |
| Shareholders' Equity | $ 82,752,000 | $ 66,195,000 |

## Pacific Enterprises

(formerly Pacific Lighting Corporation)

801 South Grand Avenue
Los Angeles, California 90017
(213) 895-5000

**Officers:** Paul A. Miller, chairman & chief exec. officer; James R. Ukropina, president; Lloyd A. Levitin, exec. v.p.; Willis B. Wood, Jr., exec. v.p.; Leslie E. LoBaugh, Jr., v.p. & general counsel; Stanley A. Ratzlaff, v.p. & controller; Paul A. Williams, II, v.p. & treasurer; William L. Cole, v.p.; J. Patrick Garner, v.p.; Charles F. Weiss, v.p.; J. Foster Hames, secretary; Leonard H. Straus, chairman & chief exec. officer-Thrifty Corporation; Richard G. Ellis, president, chief operating & financial officer-Thrifty Corporation.

**Directors:** Paul A. Miller, chairman; Hyla H. Bertea, James F. Dickason, Robert R. Dockson, Ignacio E. Lozano, Jr., Joseph N. Mitchell, Joseph R. Resch, Donald B. Rice, Rocco C. Siciliano, William F. Smith, Leonard H. Straus, James R. Ukropina, Daniel G. Volkmann, Jr., Diana L. Walker, James H. Zumberge.

**Business Activities:** A holding company whose subsidiaries are involved in the operation of a natural gas distribution utility, specialty retailing, oil and gas exploration and production, interstate and offshore natural gas transmission, alternate energy, and financial services, including leasing of equipment.

Through its Thrifty Corporation subsidiary, the Company operates a chain of drug and discount stores in the Pacific region under the names "Thrifty Drug and Discount Stores," "Thrifty Jr.," "Pay'n Save" and "Bi-Mart." Also operates sporting goods stores under the names "Big 5," "MC Sporting Goods," "Gart Bros.," "Brown's," "Dave Cook Sporting Goods," and "Casey's Sporting Goods" in

California, Nevada, Colorado, Michigan, Utah, Illinois, Ohio, Missouri, Indiana, Iowa, Ohio, Wyoming and Washington.

**Retail Subsidiaries:**

Thrifty Corporation
3424 Wilshire Boulevard
Los Angeles, California 90010
(213) 251-6000

FTM Sports Corporation
12118 S.W. 117th Court
Miami, Florida 33186
(305) 255-2272

P.O. Box 165203
Miami, Florida 33116
(800) 292-5589

Gart Bros. Sporting Goods Company
1000 Broadway
Denver, Colorado 80203
(303) 861-1122

Michigan Sporting Goods Distributors, Inc.
2740 29th Street, S.E.
Grand Rapids, Michigan 49508
(616) 942-2600

Rexall Square Drugs, Inc.
3424 Wilshire Boulevard
Los Angeles, California 90010
(213) 251-6000

The Newman Importing Company, Inc.
5500 West Jefferson Boulevard
Los Angeles, California 90016
(213) 935-7600

United Merchandising Corporation
1440 Ocean Gate Avenue
Hawthorne, California 90250
(213) 772-2772

**Acquisitions:**

Pay'n Save Group
(Pay'n Save Stores Inc., Pay'n Save Drugs Inc., The Bi-Mart Company)
Seattle, Washington
Operate 110 Pay'n Save drug stores and 37 Bi-Mart general merchandise stores in eight western states, including Alaska and Hawaii. All of the 37 Bi-Mart stores are located in Washington and Oregon, and 76 of the Pay'n Save drug stores are located in Washington.

**Transfer Agent(s):**

Pacific Enterprises
Los Angeles, California

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** PET

**Number of Stores:** (at fiscal year end)

| | Drug and Discount | Sporting Goods |
|---|---|---|
| 1988 | 806 | 233 |
| 1987 | 641 | 160 |
| 1986 | 594 | 118 |
| 1985 | 555 | 86 |
| 1984 | 542 | 71 |

**Sales & Earnings**

| | Revenues + (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 5,932,000 | $ 222,000 |
| 1987 | 5,377,000 | 251,000 |
| 1986 | 5,367,000 | 84,000 |
| 1985 | 6,524,000 | 181,000 |
| 1984 | 6,159,000 | 165,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 61,634,000 | $ 3.51 |
| 1987 | 59,304,000 | 4.14 |
| 1986 | 58,103,000 | 1.34 |
| 1985 | 55,551,000 | 3.25 |
| 1984 | 53,207,000 | 2.99 |

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Utility | $ 3,214,000 | $ 3,300,000 |
| Retailing | 2,400,000 | 1,843,000 |
| Oil & gas exploration | 215,000 | 215,000 |
| Other | 103,000 | 85,000 |
| Total | $ 5,932,000 | $ 5,377,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 3.48 | — | — |
| 1987 | 3.48 | — | |
| 1986 | 3.48 | — | — |
| 1985 | 3.36 | — | — |
| 1984 | 3.20 | — | — |

**Common Stock Equity**

| | Total Equity † (000's) | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 1,814,000 | $ 29.43 |
| 1987 | 1,612,000 | 27.18 |
| 1986 | 1,547,000 | 26.63 |
| 1985 | 1,559,000 | 28.07 |
| 1984 | 1,499,000 | 28.16 |

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Revenues | $ 5,932,000 | $ 5,377,000 |
| Other income | 47,000 | 24,000 |
| Total income | $ 5,979,000 | $ 5,401,000 |
| Cost of sales | 3,411,000 | 3,158,000 |
| Expenses | 1,532,000 | 1,328,000 |
| Depreciation, depletion & amortization | 311,000 | 234,000 |
| Franchise payments | 102,000 | 95,000 |
| Interest expense | 213,000 | 183,000 |
| Preferred div. of a subsid. | 7,000 | 7,000 |
| Income before taxes | $ 403,000 | $ 396,000 |
| Income taxes | 181,000 | 171,000 |
| Inc.-cont. oper | $ 222,000 | $ 225,000 |
| Inc.-discont. oper. | — | 26,000 |
| Net Income | $ 222,000 | $ 251,000 |

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 158,000 | $ 60,000 |
| Accts. receiv., net | 615,000 | 636,000 |
| Accts. & notes receiv. | 72,000 | 72,000 |
| Deferred inc. taxes | 54,000 | 41,000 |
| *Inventories | 990,000 | 573,000 |
| Regulatory balancing accts. | — | 22,000 |
| Prepaid expenses | 35,000 | 34,000 |
| Current Assets | $ 1,924,000 | $ 1,438,000 |
| Investments | 76,000 | 100,000 |
| Long-term notes receiv. | 89,000 | 109,000 |
| #Fixed assets | 4,280,000 | 3,316,000 |
| Other assets | 497,000 | 155,000 |
| Total Assets | $ 6,866,000 | $ 5,118,000 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 575,000 | $ 140,000 |
| Long-term debt, curr. | 81,000 | 89,000 |
| Accts. payable | 945,000 | 748,000 |
| Accrued taxes | 139,000 | 204,000 |
| Regulatory bal. accts. | 70,000 | — |
| Accrued interest | 111,000 | 81,000 |
| Other current liabilities | 153,000 | 132,000 |
| Curr. Liabilities | $ 2,074,000 | $ 1,394,000 |
| Long-term debt | 1,779,000 | 1,338,000 |
| Cap. lease oblig. | 107,000 | 61,000 |
| Debt of empl. stock plan | 31,050 | 38,000 |
| Deferred inc. taxes | 553,000 | 296,000 |
| Deferred invest. credit | 92,000 | 96,000 |
| Other deferred credits | 226,000 | 93,000 |
| Preferred stocks of subsid. | 80,000 | 80,000 |
| +Preferred stock | 110,000 | 110,000 |
| +Common stock | 1,066,000 | 875,000 |
| Retained earnings | 779,000 | 775,000 |
| Deferred comp. rel. to emp. stock owner. plan | (31,000) | (38,000) |
| Total Liabilities & Shareholders' Equity | $ 6,866,000 | $ 5,118,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 11.54 | 14.59 |
| Debt to Equity | 1.34 | 0.97 |
| Working Capital | — | $ 44,000,000 |
| Current Ratio | — | 1.03 |
| Shareholders' Equity | $ 1,924,000,000 | $ 1,722,000,000 |

## Parisian, Inc.

200 Research Parkway
Birmingham, Alabama 35211
(205) 940-4000

(Became a privately held corporation via a leveraged buyout on April 26, 1988.)

**Officers:** Emil C. Hess, chairman of the board; Donald E. Hess, president & chief executive officer; Harold L. Abrams, exec. v.p., chief operating officer, secretary & treasurer; Tom R. Amerman, sr. v.p.-personnel and loss prevention; D. Warren Bailey, sr. v.p.-finance & chief financial officer; Jim W. Adams, v.p.-stores & sales promotion; Howard R. Finkelstein, v.p. & gen. mdse. mgr.; John W. Parrott, v.p.-operations; Sandra K. Purvis, v.p. & gen. mdse. mgr.; Kenneth R. Scarborough, v.p.-info. systems; Gary A. Smith, v.p.-distribution & controller.

**Directors:** Emil C. Hess, chairman of the board; Donald E. Hess, Harold L. Abrams, Neal R. Berte, Drayton Nabers, Jr..

## Parisian, Inc.

**Business Activities:** Operates a chain of 15 specialty department stores in Alabama, Georgia and Florida under the name 'Parisian.' These stores offer medium-to-higher priced fashion apparel, shoes and accessories for men, women and children.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 15 | 1984 | 10 |
| 1986 | 13 | 1983 | 10 |
| 1985 | 12 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1987 | $ 226,364,000 | $ 9,592,000 |
| 1986 | 184,385,000 | 8,257,000 |
| 1985 | 166,973,000 | 5,303,000 |
| 1984 | 136,603,000 | 6,059,000 |
| 1983 | 122,981,000 | 3,674,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 7,228,000 | $ 1.33 |
| 1986 | 6,740,000 | 1.23 |
| 1985 | 6,740,000 | 0.79 |
| 1984 | 5,886,000 | 1.01 |
| 1983 | 5,655,000 | 0.64 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 80,052,000 | $ 11.08 |
| 1986 | 52,109,000 | 7.73 |
| 1985 | 43,852,000 | 6.51 |
| 1984 | 38,550,000 | 5.55 |
| 1983 | 18,143,000 | 3.21 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account** *

| Year ended | 1/31/87 | 2/1/86 |
|---|---|---|
| Net sales | $ 226,363,737 | $ 184,385,045 |
| Cost of sales | 132,444,545 | 107,442,765 |
| Expenses | 66,245,998 | 53,605,707 |
| Other oper. expenses | 14,697,488 | 12,177,479 |
| Interest expense | 2,910,426 | 2,283,946 |
| Interest income | (6,983,520) | (5,817,413) |
| Other income | (328,108) | (203,948) |
| Income before taxes | $ 17,376,908 | $ 14,896,509 |
| Income taxes | 7,785,000 | 6,640,000 |
| Net Income | $ 9,591,908 | $ 8,256,509 |

* Included in Costs and Expenses, Depreciation and Amortization: $5,323,158 in 1987 and $3,517,936 in 1986.

**Assets**

| As of | 1/31/87 | 2/1/86 |
|---|---|---|
| Cash | $ 955,560 | $ 1,457,798 |
| Accts. receiv., net | 65,961,733 | 54,433,836 |
| Refundable taxes | — | 932,663 |
| *Inventories | 37,892,630 | 31,878,726 |
| Prepaid expenses | 5,667,937 | 8,346,123 |
| Current Assets | $ 110,477,860 | $ 97,049,146 |
| #Fixed assets | 50,253,848 | 28,896,440 |
| Funds restricted for future construc. | — | 5,500,000 |
| Other assets | 2,617,755 | 2,185,386 |
| Total Assets | $ 163,349,463 | $ 133,630,972 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,257,900 | $ 1,288,947 |
| Accts. payable | 12,138,917 | 12,383,697 |
| Accrued store rent | 1,540,310 | 1,722,850 |
| Income taxes | 1,979,522 | 12,685 |
| Sales tax payable | 3,322,901 | 2,770,826 |
| Deferred income taxes | 12,586,158 | 12,431,158 |
| Other current liabilities | 3,748,815 | 2,807,818 |
| Curr. Liabilities | $ 36,574,523 | $ 33,417,981 |
| Long-term debt | 40,722,701 | 43,982,152 |
| Deferred inc. taxes | 4,915,308 | 3,112,307 |
| Other liabilities | 1,084,589 | 1,009,549 |
| +Common stock | 74,928 | 67,399 |
| Add. paid-in capital | 33,229,205 | 14,885,283 |
| Retained earnings | 46,748,209 | 37,156,301 |
| Total Liabilities & Shareholders' Equity | $ 163,349,463 | $ 133,630,972 |

* At lower of cost (LIFO & average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.68 | 8.08 |
| %Net Income to Sales | 4.24 | 4.48 |
| %Net Income to Equity | 11.98 | 15.84 |
| Sales to Inventories | 5.97 | 5.78 |
| Debt. to Equity | 0.52 | 0.87 |
| Working Capital | $ 73,903,337 | $ 63,631,165 |
| Current Ratio | 3.03 | 2.90 |
| Shareholders' Equity | $ 80,052,342 | $ 52,108,983 |

## Paul Harris Stores, Inc.

6003 Guion Road
P.O. Box 68162
Indianapolis, Indiana 46268
(317) 293-3900

**Officers:** Gerald Paul, chairman & chief executive officer; David R. Bomberger, president & chief operating officer; Charles A. Lang, sr. v.p.-finance & treasurer; Howard W. Barnett, sr. v.p.-real estate; Russell Frankel, v.p.-stores planning & construction; Cynthia Harris, sr. v.p. & dir.-stores; Gerald Callahan, v.p.-management information systems; Dale Ball, v.p.; Russell E. Frankel, v.p.-store planning, construction; Thomas S. Yeo, v.p.-merchandising, Paul Harris Ready to Wear; William L. Lawrence, Jr., v.p., controller & secretary; Eloise Paul, v.p.-merchandising, Pasta; Richard Smithson, v.p.-merchandising, Paul Harris Sportswear; Robert Bishop, v.p.-planning; C. Benjamin Dutton, asst. secretary.

**Directors:** Earl Harris, Gerald Paul, Eugene L. Step, Allen L. Boorstein, David R. Bomberger, Irwin Katz, J. James Gordon, Elizabeth Kraft, Donald Tanselle.

**Business Activities:** Operates 272 retail clothing stores primarily for the fashion-conscious woman in the 18 to 35 age group, in 36 states and the District of Columbia, under the name "Paul Harris." Also operates 39 discount clothing stores for men and women under the name "The $5-$10-$15-$20 Place" and 58 sportswear retail stores for women under the name "Pasta."

**Transfer Agent(s):**

Merchants National Bank
One Merchants Plaza
Indianapolis, Indiana 46277

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** PHRS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 389 | 1985 | 223 |
| 1987 | 347 | 1984 | 190 |
| 1986 | 273 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 194,877,000 | $ (5,641,000) |
| 1988 | 190,242,000 | 4,750,000 |
| 1987 | 160,966,000 | 6,157,000 |
| 1986 | 125,866,000 | 4,757,000 |
| 1985 | 111,175,000 | 4,019,000 |

| | No. of Com. Shares + | Earn. Per Share + |
|---|---|---|
| 1989 | 9,073,000 | $ — |
| 1988 | 9,141,000 | 0.52 |
| 1987 | 9,068,000 | 0.68 |
| 1986 | 8,288,000 | 0.57 |
| 1985 | 7,449,000 | 0.54 |

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | — |
| 1986 | — | — | 2-for-1 |
| 1985 | — | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 45,783,000 | $ 5.05 |
| 1988 | 51,417,000 | 5.62 |
| 1987 | 44,746,000 | 4.93 |
| 1986 | 37,939,000 | 4.58 |
| 1985 | 22,912,000 | 3.08 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 194,877,000 | $ 190,242,000 |
| Cost of sales | 139,607,000 | 124,676,000 |
| Expenses | 54,229,000 | 50,207,000 |
| Depreciation & amortization | 7,470,000 | 5,734,000 |
| Interest expense | 5,029,000 | 2,906,000 |
| Inc. (loss) bef. taxes | $ (11,458,000) | $ 6,719,000 |
| Tax credit | (5,817,000) | 2,813,000 |
| Cum. effect of accntg. change | — | (844,000) |
| Net Loss | $ (5,641,000) | $ 4,750,000 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equivalents | $ 1,037,000 | $ 7,846,000 |
| Accts. receiv., net | 698,000 | 1,765,000 |
| *Inventories | 50,597,000 | 50,792,000 |
| Inc. taxes receiv. | 6,608,000 | 1,735,000 |
| Prepaid expenses | 2,215,000 | 2,285,000 |
| Current Assets | $ 61,155,000 | $ 64,423,000 |
| #Fixed assets | 49,032,000 | 44,404,000 |
| Other assets | 3,344,000 | 2,420,000 |
| Total Assets | $ 113,531,000 | $ 111,247,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 1,200,000 | $ — |
| Long-term debt, curr. | 2,486,000 | 1,622,000 |
| Accts. payable | 15,417,000 | 7,880,000 |
| Accrued payroll | 877,000 | 1,446,000 |
| Other accruals | 2,753,000 | 2,794,000 |
| Curr. Liabilities | $ 22,727,000 | $ 13,742,000 |
| Long-term debt | 42,384,000 | 43,973,000 |
| Deferred inc. taxes | 2,637,000 | 2,115,000 |
| +Common stock | 14,684,000 | 14,677,000 |
| ++Class B Common stock | 142,000 | 146,000 |
| Add. paid-in capital | 5,373,000 | 5,369,000 |
| Retained earnings | 25,584,000 | 31,225,000 |
| Total Liabilities & Shareholders' Equity | $ 113,531,000 | $ 111,247,000 |

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
++ No par value; $0.067 stated value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 3.53 |
| %Net Income to Sales | — | 2.50 |
| %Net Income to Equity | — | 9.24 |
| Sales to Inventories | 3.85 | 3.75 |
| Debt to Equity | 1.01 | 0.89 |
| Working Capital | $ 38,428,000 | $ 50,681,000 |
| Current Ratio | 2.69 | 4.69 |
| Shareholders' Equity | $ 45,783,000 | $ 51,417,000 |

## Pay'N Pak Stores, Inc.

1209 South Central
Kent, Washington 98032
(206) 854-5450

Mailing Address:
P.O. Box 8808
Kent, Washington 98031-0480

(Became a privately held corporation via a leveraged buyout on March 22, 1988.)

**Officers:** David J. Heerensperger, chairman of the board & chief exec. officer; Marshall J. Weigel, vice chairman; Jerry L. Marlow, president & chief operating officer; Richard T. Takata, sr. v.p.-store merchandising; Peter W. Gallina, sr. v.p.-real estate & store development; Victor W. Croswhite, v.p.-purchasing; Douglas G. Southern, v.p.-finance & secretary-treasurer; Calvin E. Karbowski, v.p.-distribution; George B. Smith, v.p.-training; Fred R. Brotherton, v.p. & controller; Barbara I. Collett, v.p.-personnel & labor relations; Herbert E. McCleary, v.p.-advertising; Paul B. Morris, v.p.-store planning & design; Richard E. Fried, v.p.-marketing.

**Directors:** David J. Heerensperger, chairman; Woodrow C. Button, Marshall J. Weigel, Jerry L. Marlow, Monte A. Leen, Jerry Horn.

**Areas or Work:** Operates a chain of stores which features a complete line of home improvement products, including electrical and plumbing supplies, building materials, cabinets and built-in appliances. Stores are located in 17 western and mid-western states, including Alaska and Hawaii.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 107 | 1984 | 100 |
| 1986 | 106 | 1983 | 98 |
| 1985 | 101 | | |

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1987 | $ 398,422,000 | $ 5,686,000 |
| 1986 | 333,782,000 | 8,168,000 |
| 1985 | 305,185,000 | 10,105,000 |
| 1984 | 250,040,235 | 10,024,899 |
| 1983 | 187,337,902 | 6,368,044 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1987 | 10,002,832 | $ 0.57 |
| 1986 | 10,002,832 | 0.82 |
| 1985 | 10,002,832 | 1.01 |
| 1984 | 10,002,832 | 1.11 |
| 1983 | 7,652,830 | 0.87 |

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1987 | 1986 |
|---|---|---|
| Electrical | 21% | 21% |
| Plumbing | 20 | 22 |
| Building materials | 51 | 52 |
| Garden Supplies | 8 | 5 |
| Total | 100% | 100% |

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.52 | — | — |
| 1986 | 0.63 | — | |
| 1985 | 0.60 | — | — |
| 1984 | 0.56 | — | 3-for-2 |
| 1983 | 0.507 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1987 | $ 100,127,000 | $ 10.01 |
| 1986 | 99,643,000 | 9.96 |
| 1985 | 97,776,000 | 9.77 |
| 1984 | 93,673,204 | 9.36 |
| 1983 | 47,430,094 | 6.20 |

+ Adjusted to reflect stock split.

**Income Account**

| Year ended Feb. 28 | 1987 | 1986 |
|---|---|---|
| Revenues | $ 396,422,000 | $ 333,782,000 |
| Cost of sales | 262,995,000 | 219,684,000 |
| Expenses | 96,080,000 | 77,763,000 |
| Rent | 9,854,000 | 7,524,000 |
| Depreciation | 10,110,000 | 8,260,000 |
| Interest expense | 7,379,000 | 5,432,000 |
| Other interest | 771,000 | 656,000 |
| Income before taxes | $ 11,233,000 | $ 14,463,000 |
| Income taxes | 5,547,000 | 6,295,000 |
| Net Income | $ 5,686,000 | $ 8,168,000 |

**Assets**

| As of Feb. 28 | 1987 | 1986 |
|---|---|---|
| Cash | $ 5,791,000 | $ 3,723,000 |
| Accts. & notes receiv., net | 2,199,000 | 2,954,000 |
| Inc. taxes receiv. | — | 1,169,000 |
| •Inventories | 106,493,000 | 107,127,000 |
| Prepaid expenses | 1,735,000 | 1,535,000 |
| Current Assets | $ 116,218,000 | $ 116,508,000 |
| #Fixed assets | 111,588,000 | 104,775,000 |
| Other assets | 2,303,000 | 1,731,000 |
| Total Assets | $ 230,109,000 | $ 223,014,000 |

**Liabilities**

| | | |
|---|---|---|
| Payable to bank | $ 522,000 | $ 6,325,000 |
| Notes payable | 22,255,000 | 20,475,000 |
| Long-term debt, curr. | 1,842,000 | 1,801,000 |
| Accts. payable | 28,830,000 | 16,124,000 |
| Accruals | 1,583,000 | 1,657,000 |
| Accrued payroll & prof. sh. | 2,837,000 | 3,885,000 |
| Income taxes | 566,000 | 312,000 |
| Other taxes | 3,198,000 | 2,103,000 |
| Curr. Liabilities | $ 61,633,000 | $ 52,682,000 |
| Long-term debt | 60,948,000 | 64,270,000 |
| Deferred income taxes | 6,067,000 | 5,338,000 |
| Deferred income | 1,334,000 | 1,081,000 |
| +Common stock | 67,722,000 | 67,722,000 |
| Retained earnings | 32,405,000 | 31,921,000 |
| Total Liabilities & Shareholders' Equity | $ 230,109,000 | $ 223,014,000 |

• At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | 2.82 | 4.33 |
| %Net Income to Revenues | 1.43 | 2.45 |
| %Net Income to Equity | 5.68 | 8.20 |
| Debt to Equity | 0.61 | 0.93 |
| Working Capital | $ 54,495,000 | $ 63,826,000 |
| Current Ratio | 1.89 | 2.21 |
| Shareholders' Equity | $ 100,127,000 | $ 99,643,000 |

## Pay'n Save Inc.

(On 6/29/88, the Company sold its retail operations to Thrifty Corporation)

1511 Sixth Avenue
Seattle, Washington 98101
(206) 621-6938

**Officers:** William Zimmerman, chairman of the board; James M. Jacobson, president & chief executive officer.

**Directors:** William Zimmerman, chairman of the board; William S. Elkus, Charles R. Engles, James M. Jacobson, Kenneth D. Moelis, Eddie Trump.

**Business Activities:** The Company intends, in order that it does not become an "investment company" within the meaning of the Investment Company Act of 1940, to acquire new assets or operating businesses within one year of completion of the Asset Sale.

**Transfer Agent(s):**

MBank Dallas
P.O. Box 22415
Dallas, Texas 75265

**Stock Exchange(s):** Over-the-Counter

**Number of Stores:•** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | — | 1984 | 132 |
| 1987 | 146 | 1983 | 128 |
| 1985 | 132 | | |

• Drugstores only.
NOTE: On June 29, 1988, the net assets of the entire retail operations of Pay'n Save were sold to Thrifty Corporation for stock in Pacific Enterprises, the parent company of Thrifty. As presently constituted, the Company's principal source of revenue is dividends received from Pacific Enterprises common stock.

## Pay'n Save Inc.

### Sales & Earnings

| | Net Sales | Net Income † |
|---|---|---|
| 10/29/88 | — | $ (133,666,000) |
| 10/31/87 | — | (26,828,000) |
| 11/1/86 | — | (49,363,000) |
| 11/2/85+ | — | (17,893,000) |
| 10/12/84*# | — | 4,856,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 10/29/88 | 19,473,728 | $ — |
| 10/31/87 | 18,693,668 | — |
| 11/1/86 | 17,250,000 | — |
| 11/2/85+ | 14,000,000 | — |

(Loss)
* 34 weeks.
+ Pay'n Save & Bi-Mart subsequent to SSC acquisition.
# Pay'n Save & B-Mart prior to SSC acquisition.
† Including extraordinary gain of $6,568,000 in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 10/29/88 | $ (69,250,000) | $ — |
| 10/31/87 | 86,078,000 | 4.60 |
| 11/1/86 | 103,503,000 | 6.00 |
| 11/2/85 | 105,000,000 | 7.50 |

(Deficiency)

### Income Account * (000's)

| Year ended | 10/29/88 | 10/31/87 |
|---|---|---|
| Investment income | $ 7,189 | $ 2,933 |
| Expenses | 626 | 359 |
| Interest expense | 31,729 | 29,664 |
| Loss - cont. oper. | $ (25,166) | $ (27,090) |
| Inc. (loss) - discont. oper. | (115,068) | 262 |
| Net Loss | $ (140,234) | $ (26,828) |
| Extraord. gain | 6,568 | — |
| Net Loss & extraord. gain | $ (133,666) | $ (26,828) |

* Included in Costs and Expenses, Depreciation and Amortization: $11,573,000 in 1987.

### Assets (000's)

| As of | 10/29/88 | 10/31/87 |
|---|---|---|
| Cash | $ 4,835 | $ 7,063 |
| *Inventories | — | 239,771 |
| Other curr. assets | 4,529 | 10,415 |
| Current Assets | $ 9,364 | $ 257,249 |
| Invest. in Pacific Enter. Common Stock | 203,646 | — |
| #Fixed assets | — | 172,787 |
| Intangibles | — | 111,667 |
| Deferred debt issue costs | 9,612 | 15,065 |
| Total Assets | $ 222,622 | $ 556,768 |

### Liabilities (000's)

| | | |
|---|---|---|
| Short-term debt & long-term debt, curr. | $ — | $ 9,879 |
| Accts. payable | 3,370 | 90,451 |
| Accrued payroll | — | 7,404 |
| Accrued interest | 8,020 | 8,963 |
| Other accruals | — | 11,320 |
| Curr. Liabilities | $ 11,390 | $ 128,017 |
| Long-term debt | 280,482 | 295,752 |
| Oblig. under cap. leases | — | 46,706 |
| Other liabilities | — | 215 |
| +Common stock | 19,474 | 18,694 |
| Add. paid-in capital | 149,110 | 143,575 |
| Retained earnings (def.) | (209,857) | (76,191) |
| Unreal. loss on Pacific Enter. Common Stock | (27,977) | — |
| Total Liabilities & Shareholders' Equity | $ 222,622 | $ 556,768 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| Debt to Equity | — | 3.44 |
| Working Capital | — | $ 129,232,000 |
| Current Ratio | — | 2.01 |
| Shareholders' Equity (Deficiency) | $ (69,250,000) | $ 86,078,000 |

## Payless Cashways, Inc.

(Went private via a leveraged buyout on October 7, 1988.)

2 Pershing Square, 2300 Main
P.O. Box 419466
Kansas City, Missouri 64141-0466
(816) 234-6000

**Officers:** David Stanley, chairman & chief executive officer; Larry P. Kunz, president & chief operating officer; Richard E. Hemer, sr. v.p.-development; Stephen A. Lightstone, sr. v.p.-finance & chief financial officer; Dale C. Pond, sr. v.p.-marketing & merchandising; Stanely K. Boyd, sr. v.p.-store operations; Michael H. Didier, v.p.-facility development; Susan Stanton, sr. v.p.-administration/corporate planning; David O'Halloran, sr. v.p.-information systems & services; John Woodfill, v.p. & treasurer; Jean Warren, asst. treasurer; Linda J. French, general counsel & secretary; James A. Bryan, v.p.-distribution & transportation; Bradley J. Talley, v.p.-mgmt. info. systems; James M. Lavender, v.p.-merchandising; James C. Neustadt, v.p.-advertising; John Fischer, regional v.p.; Michael T. Largent, regional v.p.; Roger L. Weverka, regional v.p.; Kristan R. Maynard, regional v.p..

**Directors:** J. Stanley Covey, David Stanley, F. John Roost, Edward C. Thompson, John D. Dienes, Ralph Strangis, Richard E. Hemer, Harold Cohen, Larry P. Kunz, Gary D. Rose, Stephen M. Wolf.

**Business Activities:** Full-line building materials specialty retailer concentrating its sales efforts on the do-it-yourself market. At 1987 year-end, the Company operated Payless Cashways, Furrow, Lumberjack, Hugh M. Woods, Somerville Lumber, and Knox Lumber building material stores in 23 Midwestern, Southwestern, New England, and Pacific Coast states.

**Subsidiaries:**

Somerville Lumber and Supply Co., Inc.
Boston, Massachusetts

Knox Home Centers, Inc.
St. Paul, Minnesota
Operates building materials retail stores in Minnesota, Montana, North Dakota, and South Dakota.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 194 | 1984 | 157 |
| 1986 | 181 | 1983 | 115 |
| 1985 | 179 | | |

### Sales & Earnings

| | Net Sales # | Net Income |
|---|---|---|
| 1987 | $ 1,770,189,000 | $ 28,101,000 |
| 1986 | 1,527,729,000 | 42,352,000 |
| 1985 | 1,389,735,000 | 38,086,000 |
| 1984 | 1,175,583,000 | 37,116,000 |
| 1983 | 1,006,795,000 | 40,635,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987 | 34,588,000 | $ 0.81 |
| 1986 | 34,646,000 | 1.22 |
| 1985 | 34,101,000 | 1.12 |
| 1984 | 32,333,000 | 1.15 |
| 1983 | 32,252,000 | 1.26 |

# Includes other income.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

### Common Stock

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.16 | — | — |
| 1986 | 0.16 | — | |
| 1985 | 0.16 | — | — |
| 1984 | 0.16 | — | — |
| 1983 | 0.12 | — | 2-for-1 |

‡ Adjusted to reflect stock split.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 379,350,000 | $ 10.97 |
| 1986 | 369,818,000 | 10.67 |
| 1985 | 332,941,000 | 9.76 |
| 1984 | 257,235,000 | 7.96 |
| 1983 | 231,127,000 + | 7.17 |

+ After allowing for preferred stock at par value.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

### Income Account (000's)

| Year ended | 11/28/87 | 11/29/86 |
|---|---|---|
| Net sales | $ 1,768,130 | $ 1,525,648 |
| Other income | 2,059 | 2,081 |
| Total income | $ 1,770,189 | $ 1,527,729 |
| Cost of sales | 1,225,264 | 1,041,678 |
| Expenses | 415,060 | 359,223 |
| Depreciation & amortization | 35,826 | 29,453 |
| Interest expense | 17,280 | 15,019 |
| Speical charges | 24,267 | — |
| Inc. bef. taxes | $ 52,492 | $ 82,356 |
| Income taxes | 24,391 | 40,004 |
| Net Income | $ 28,101 | $ 42,352 |

### Assets (000's)

| As of | 11/28/87 | 11/29/86 |
|---|---|---|
| Cash & cash equiv. | $ 11,317 | $ 14,864 |
| Accts. receiv., net | 12,397 | 8,494 |
| *Inventories | 309,007 | 275,849 |
| Prepaid & other assets | 13,090 | 10,468 |
| Deferred inc. taxes | 4,873 | — |
| Current Assets | $ 350,684 | $ 309,675 |
| #Fixed assets | 425,179 | 360,826 |
| Other assets | 39,332 | 37,224 |
| Total Assets | $ 815,195 | $ 707,725 |

### Liabilities (000's)

| | | |
|---|---|---|
| Bank advance | $ 44,000 | $ 8,000 |
| Long-term debt, curr. | 5,145 | 6,854 |
| Accts. payable | 101,319 | 101,915 |
| Accruals | 43,189 | 29,159 |
| Accrued payroll | 18,344 | 17,356 |
| Income taxes | — | 501 |
| Other taxes | 13,792 | 11,872 |
| Payroll taxes | 2,117 | 2,308 |
| Curr. Liabilities | $ 227,906 | $ 177,965 |

| | | |
|---|---|---|
| Long-term debt | 179,548 | 132,424 |
| Deferred inc. taxes | 28,391 | 27,518 |
| +Common stock | 17,325 | 17,323 |
| Add. paid-in capital | 104,030 | 103,969 |
| Retained earnings | 271,083 | 248,526 |
| Treasury stock | (13,088) | — |
| Total Liabilities & Shareholders' Equity | $ 815,195 | $ 707,725 |

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.97 | 5.40 |
| %Net Income to Sales | 1.59 | 2.78 |
| %Net Income to Equity | 7.41 | 11.45 |
| Sales to Inventories | 5.72 | 5.53 |
| Debt to Equity | 0.47 | 0.36 |
| Working Capital | $ 122,778,000 | $ 131,710,000 |
| Current Ratio | 1.54 | 1.74 |
| Shareholders' Equity | $ 379,350,000 | $ 369,818,000 |

## Paysaver Catalog/Showrooms, Inc.

98 Lower Westfield Road
Holyoke, Massachusetts 01040-2712
(413) 536-4500

**Officers:** Mortimer A. Polep, chairman of the board & treasurer; Charles L. Polep, president; James A. Polep, sr. v.p.; William A. Randall, v.p.; Odo Palazzi, v.p.; Michael Gibeau, v.p.; Gerald Shible, v.p.; David A. Shrair, secretary.

**Directors:** Mortimer A. Polep, Charles L. Polep, James A. Polep, Anne S. Polep, William Randall.

**Areas of Work:** Operates three catalog/showrooms in western Massachusetts selling jewelry, gifts, photo equipment, stereo components, small appliances, luggage, gifts, toys and home computers. The Company has a limited mail order service and handles limited industrial and bank promotions as well as some wholesale sales.

**Transfer Agent(s):**

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

**Stock Exchange(s):** Boston

**Ticker Symbol:** PCS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 3 | 1986 | 5 |
| 1988 | 4 | 1985 | 5 |
| 1987 | 4 | | |

**Sales & Earnings**

| | Net Sales + | Net Income † |
|---|---|---|
| 1989 | $ 16,494,608 | $ (183,577) |
| 1988 | 16,914,921 | 139,793 |
| 1987 | 19,655,306 | (666,749) |
| 1986 | 17,805,300 | (297,472) |
| 1985 | 15,667,611 | (34,947) |

| | No. of Com. Shares | Earn. per Share †# |
|---|---|---|
| 1989 | 1,418,850 | $ — |
| 1988 | 1,418,850 | 0.10 |
| 1987 | 1,418,850 | — |
| 1986 | 1,419,450 | — |
| 1985 | 1,423,650 | — |

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $11,996 ($0.01 per share) in 1988, $52,074 ($0.04 per share) in 1986 and $56,006 ($0.04 per share) in 1985.
# Based on the weighted average number of shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1989 | $ 1,874,862 | $ 1.32 |
| 1988 | 2,058,439 | 1.45 |
| 1987 | 1,918,646 | 1.35 |
| 1986 | 2,586,370 | 1.82 |
| 1985 | 2,888,042 | 2.03 |

# Based on the weighted average number of shares outstanding.

**Income Account ***

| Year ended | 2/25/89 | 2/27/88 |
|---|---|---|
| Net sales | $ 16,494,608 | $ 16,914,921 |
| Cost of sales | 11,867,083 | 12,432,441 |
| Expenses | 4,548,910 | 4,288,059 |
| Interest expense | 251,605 | 239,225 |
| Abandonment of leasehold improvements | 13,304 | — |
| Interest income | (2,717) | — |
| Loss before taxes | $ (183,577) | $ (44,804) |
| Income taxes | — | 20,454 |
| Cum. effect of accntg. change | (193,055) | — |
| Net Income (Loss) | $ (183,577) | $ 127,797 |
| Extraord. gain | — | 11,996 |
| Net Income (Loss) & extraord. gain | $ (183,577) | $ 139,793 |

* Included in Costs and Expenses, Depreciation and Amortization: $135,030 in 1989 and $137,680 in 1988.

**Assets**

| As of | 2/25/89 | 2/27/88 |
|---|---|---|
| Cash | $ (10,837) | $ 67,885 |
| Accts. receiv., net | 357,293 | 357,388 |
| *Inventories | 5,219,550 | 5,059,879 |
| Prepaid expenses | 174,682 | 233,874 |
| Current Assets | $ 5,740,688 | $ 5,719,026 |
| #Fixed assets | 473,422 | 487,225 |
| Deferred legal fees | 20,188 | 5,889 |
| Total Assets | $ 6,234,298 | $ 6,212,140 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 900,000 | $ 2,109,778 |
| Accts. payable & accruals | 1,512,323 | 1,789,083 |
| Inc. taxes payable | — | 7,191 |
| Other taxes | 63,780 | 31,168 |
| Curr. Liabilities | $ 2,476,103 | $ 3,937,220 |
| Long-term debt | 1,883,333 | 216,481 |
| +Common stock | 52,000 | 52,000 |
| Add. paid-in capital | 889,738 | 889,738 |
| Retained earnings | 994,873 | 1,178,450 |
| Treasury stock | (61,749) | (61,749) |
| Total Liabilities & Shareholders' Equity | $ 6,234,298 | $ 6,212,140 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.03 1/3 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Sales | — | 0.76 |
| %Net Income to Equity | — | 6.21 |
| Sales to Inventories | 3.16 | 3.34 |
| Debt to Equity | 1.48 | 1.13 |
| Working Capital | $ 3,264,585 | $ 1,781,806 |
| Current Ratio | 2.32 | 1.45 |
| Shareholders' Equity | $ 1,874,862 | $ 2,058,439 |

## The Penn Traffic Company

319 Washington Street
Johnstown, Pennsylvania 15901
(814) 536-9900

(53%-owned by Riverside Acquisition Company, Limited Partnership, an affiliate of Miller Tabak HLirsch + Co.)

**Officers:** Gary D. Hirsch, chairman; Guido Malacarne, president & chief executive officer; Robert A. Allen, vice president & division president; Raymond J. Heath, vice president & division president; Rollin J. Reading, vice president & division president; John M. Kriak, v.p., secretary, treasurer & chief financial officer; John F. Stewart, controller, asst. secretary, asst. treasurer & chief accounting officer; Claude J. Incaudo, vice president & division president; John C. Guzzo, v.p.-information services; W. Perry Bocchini, asst. corp. controller.

**Directors:** Guido Malacarne, Gary D. Hirsch, Eugene A. DePalma, Richard D. Segal, Claude J. Incaudo, Harold Poster.

**Business Activities:** Through Company-owned divisions and subsidiaries, operates over 200 supermarkets and 31 department stores in the eastern U.S. The Riverside Division operates 39 supermarkets and franchises 52 supermarkets, located primarily in western Pennsylvania, under the "Riverside" and "BI-LO Foods" names. Quality Markets, Inc., a wholly owned subsidiary, operates 23 supermarkets under the name "Quality Markets," located in northwest Pennsylvania and southwest New York. P & C Foods, Inc., a wholly owned subsidiary, operates 92 "P & C" supermarkets, located in New England, New York and Pennsylvania, and franchises 68 supermarkets under the "Big M" name. Big Bear, Inc., a wholly owned subsidiary, operates 62 "Big Bear"supermarkets in Ohio, West Virginia, and Kentucky; 31 Harts Department Stores, and four "Big Bear Plus" supermarket-discount department stores. In addition, the Company is a wholesaler to its 120 franchised supermarkets and over 200 independent wholesale accounts, and operates a dairy business and a bakery business.

**Divisions and Subsidiaries:**

Sani-Dairy Division
Johnstown, Pennsylvania
Processes and distributes dairy products.

Riverside Supermarket Division
DuBois, Pennsylvania

Quality Markets, Inc.
101 Jackson Avenue N. E.
Jamestown, New York 14701
(716) 664-6010

**Acquisitions:**

Big Bear, Inc.
770 West Goodale Boulevard
Columbus, Ohio 43212
(614) 464-6500

## The Penn Traffic Company

P & C Foods, Inc.
Syracuse, New York

**Transfer Agent(s):**

Pittsburgh National Bank
Fifth Avenue & Wood Street
Pittsburgh, Pennsylvania 15222

**Stock Exchange(s):** American

**Ticker Symbol:** PNF

**Number of Stores:**

| | Supermarkets | Dept. Stores |
|---|---|---|
| 1989 | 216 | 31 |
| 1988 | 63 | — |
| 1987 | 64 | — |
| 1986 | 50 | — |
| 1985 | 56 | — |

| | Supermkt./Dept. |
|---|---|
| 1989 | 4 |
| 1988 | — |
| 1987 | — |
| 1986 | — |
| 1985 | — |

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1989 | $1,179,924,000 | $ (8,430,000) |
| 1988 | 625,208,000 | 616,000 |
| 1987 | 547,991,000 | 7,300,000 |
| 1986 | 510,479,000 | 6,567,000 |
| 1985 | 541,765,000 | 3,852,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 4,132,194 | $ — |
| 1988 | 2,636,700 | 0.06 |
| 1987 | 4,148,967 | 1.76 |
| 1986 | 4,140,852 | 1.59 |
| 1985 | 4,214,228 | 0.91 |

(Loss)
‡ Including leased departments and service fees.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Retail food distribution | $ 903,383 | $ 496,812 |
| Wholesale food distribution | 242,084 | 95,610 |
| Food processing | 51,916 | 48,181 |
| Unallocated items | (17,459) | (15,395) |
| Total | $ 1,179,924 | $ 625,208 |

**Common Stock**

| | Cash # Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ — | — | — |
| 1988 | — | — | |
| 1987 | 0.66 | — | 2-for-1 |
| 1986 | 0.60 | — | — |
| 1985 | 0.60 | — | — |

# Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1989 | $ 32,032,000 | $ 7.75 |
| 1988 | 8,682,000 | 3.29 |
| 1987 | 62,321,000 | 15.02 |
| 1986 | 57,903,000 | 13.98 |
| 1985 | 54,400,000 | 12.91 |

# Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,179,924 | $ 625,208 |
| Other income | 14,543 | 9,138 |
| Total income | $ 1,194,467 | $ 634,346 |
| Cost of sales | 973,626 | 509,549 |
| Expenses | 179,998 | 100,315 |
| Interest expense | 42,711 | 17,461 |
| Acq. fin. costs | 9,044 | 4,060 |
| Income (loss) bef. taxes | $ (10,912) | $ 2,961 |
| Income taxes (credit) | (2,482) | 2,345 |
| Net Income (Loss) | $ (8,430) | $ 616 |

* Included in Costs and Expenses, Depreciation and Amortization: $20,742,000 in 1988 and $11,267,000 in 1987.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 42,072 | $ 4,756 |
| Accts. receiv., net | 25,005 | 8,164 |
| *Inventories | 118,587 | 47,852 |
| Inc. tax receiv. | 9,132 | — |
| Prepaid expenses | 6,358 | 1,087 |
| Current Assets | $ 201,154 | $ 61,859 |
| †Oblig. under cap. lease | 37,157 | 26,837 |
| #Fixed assets | 241,534 | 114,694 |
| Other assets | 263,466 | 12,238 |
| Total Assets | $ 743,311 | $ 215,628 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 175 | $ 178 |
| Mortgage notes payable, curr. | 6,347 | 7,677 |
| Current portion of oblig. under cap. leases | 4,006 | 1,589 |
| Accts. payable | 94,348 | 25,983 |
| Accrued payroll | 20,702 | 4,800 |
| Accrued interest | 12,950 | 2,673 |
| Accrued emp. benefits | 3,236 | 1,577 |
| Taxes | 4,933 | 1,940 |
| Curr. Liabilities | $ 146,697 | $ 46,417 |
| Oblig. under cap. leases | 32,614 | 21,585 |
| Mortgage notes payable | 490,634 | 127,536 |
| Deferred inc. taxes | 5,174 | 2,203 |
| Other liab. | 9,710 | 1,725 |
| Redeem pref. stock | 26,450 | 7,480 |
| +Common stock | 6,417 | 1,199 |
| Add. paid-in capital | 34,156 | 7,316 |
| Retained earnings (deficit) | (8,541) | 167 |
| Total Liabilities & Shareholders' Equity | $ 743,311 | $ 215,628 |

* At lower of cost (FIFO) or market. Supermarket inventories stated at LIFO.
# Less accumulated depreciation.
† Less accumulated amortization.
+ $1.25 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 0.47 |
| %Net Income to Sales | — | 0.10 |
| %Net Income to Equity | — | 7.10 |
| Debt to Equity | 16.66 | 18.26 |
| Working Capital | $ 54,457,000 | $ 15,442,000 |
| Current Ratio | 1.37 | 1.33 |
| Shareholders' Equity | $ 32,032,000 | $ 8,682,000 |

## Pennington's Stores Limited

5101 Orbitor Drive
Mississauga, Ontario L4W 4V1, Canada
(416) 629-3500

**Officers:** William Drevnig, chairman emeritus; Sol Armel, president and chief exec. officer; Emanuel Asher, exec. v.p.; William Farewell, v.p.-finance & treasurer; Gerald McCulloch, v.p.-merchandising, Canada; Martin Kovsats, secretary; Rhea Girard, v.p.-administration; Randall Armel, v.p.-Wearhouse Stores Division.

**Directors:** Sol Armel, Donald Carr, William Drevnig, William Biggar, Jack Sherman, Mark Vansittart, William Farewell, Emanuel Asher, Jack Gwartz, Theodore Sherman, .

**Business Activities:** Operates retail clothing stores selling large-sized women's apparel in Canada and eight states in the U.S. These stores are operated under the names Pennington's Stores (102), Liz Porter Stores (39), and Pennington's Wearhouse Stores (17) in Canada, and Penningtons du Canada Stores (22) in the U.S.

**Transfer Agent(s):**

Montreal Trust Company of Canada
Canada

**Stock Exchange(s):** Toronto

**Ticker Symbol:** PNS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 180 | 1985 | 155 |
| 1987 | 179 | 1984 | 144 |
| 1986 | 163 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 96,357,287 | $ 3,581,475 |
| 1988 | 96,202,926 | 4,847,269 |
| 1987 | 96,166,659 | 7,566,891 |
| 1986 | 86,171,452 | 6,885,434 |
| 1985 | 72,289,548 | 4,720,595 |

| | No. of Com. Shares | Earn. per Share + |
|---|---|---|
| 1989 | 4,133,000 | $ 0.87 |
| 1988 | 4,133,000 | 1.17 |
| 1987 | 4,133,000 | 1.83 |
| 1986 | 4,131,000 | 1.67 |
| 1985 | 4,102,000 | 1.13 |

+ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.40 | — | — |
| 1988 | 0.40 | — | |
| 1987 | 1.31 | — | — |
| 1986 | 0.20 | — | — |
| 1985 | 0.20 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 36,382,742 | $ 8.80 |
| 1988 | 34,454,467 | 8.34 |
| 1987 | 31,260,398 | 7.56 |
| 1986 | 29,096,597 | 7.04 |
| 1985 | 22,887,988 | 5.58 |

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 96,357,287 | $ 96,202,926 |
| Cost of sales & expenses | 87,040,010 | 84,758,861 |
| Depreciation & amortization | 2,700,142 | 2,128,889 |
| Interest expense | 204,139 | — |
| Interest income | (106,479) | (245,093) |
| Income before taxes | $ 6,519,475 | $ 9,560,289 |
| Income taxes | 2,938,000 | 4,713,000 |
| Net Income | $ 3,581,475 | $ 4,847,269 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ — | $ 711,840 |
| *Inventories | 15,819,474 | 17,067,504 |
| Income taxes recoverable | 1,333,944 | 1,998,206 |
| Prepaid expenses & sundry assets | 1,395,506 | 1,391,195 |
| Current Assets | $ 18,548,924 | $ 21,168,745 |
| #Fixed assets | 33,451,699 | 22,012,885 |
| Intangibles | 947,089 | 947,089 |
| Total Assets | $ 52,947,712 | $ 44,128,719 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 6,856,150 | $ — |
| Accts. payable & accruals | 8,989,449 | 9,309,256 |
| Curr. Liabilities | $ 15,845,599 | $ 9,309,256 |
| Deferred inc. taxes | 719,371 | 364,996 |
| +Common stock | 343,675 | 343,675 |
| Retained earnings | 36,039,067 | 34,110,792 |
| Total Liabilities & Shareholders' Equity | $ 52,947,712 | $ 44,128,719 |

* At lower of average cost or market (net realizable value, less normal profit margin.)
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.77 | 9.94 |
| %Net Income to Sales | 3.72 | 5.04 |
| %Net Income to Equity | 9.84 | 14.07 |
| Sales to Inventories | 6.09 | 5.64 |
| Debt to Equity | 0.19 | — |
| Working Capital | $ 2,703,325 | $ 11,859,489 |
| Current Ratio | 1.17 | 2.27 |
| Shareholders' Equity | $ 36,382,742 | $ 34,454,467 |

## Peoples Jewellers Limited

1440 Don Mills Road
Don Mills, Ontario M3B 3M1, Canada
(416) 441-1515

**Officers:** Bertrand Gerstein, chairman of the board; Marvin Gerstein, vice chairman; Irving R. Gerstein, president & chief executive officer; Richard A. Field, v.p.-real estate; Roger P. Picotte, v.p.-People's Quebec operations; Kenneth N. Nevison, v.p.-operations, Peoples Division; Charles F. Gill, sr. v.p.-finance & administration & secretary; J. Richard Blickstead, sr. v.p.-merchandising & operations; Bradford G. Chapman, v.p.-finance; D. Neil Buechler, v.p.-merchandising, People's Division; Ronald R. Lawson, v.p.-operations, Mappins Division; Michael M. Clarke, v.p.-merchandising, Mappins Division; Walter E. Thom, v.p.-information services; Susan M. Burns, v.p.-marketing; James Welch, v.p.-consumer credit.

**Directors:** Bertrand Gerstein, chairman; Irving R. Gerstein, Marvin Gerstein, Henry N. R. Jackman, James Gillies, Charles F. Gill, Nicholas I. White, Howard P. Berkowitz, Leighton W. McCarthy, Anna M. Porter, Michael G. Shulman.

**Business Activities:** Operates a chain of 280 jewelry stores throughout Canada. Stores operate under the names "Peoples Jewellers," "Mappins," and "MacKenzie's." The Company's 50%-owned subsidiary, Zale Corporation, operates 1,293 jewelry retail locations in all 50 states, Guam and Puerto Rico, under the names "Zale," "Diamond Park Fine Jewelers," "Bailey, Banks & Biddle," "Corrigans," "Granat Bros.," "Slavicks," and 19 other tradenames. Subsequent to the Company's fiscal year-end, Zale acquired Gordon Jewelry Corporation, which operates approximately 615 jewelry stores in the U.S. and Puerto Rico.

**Subsidiaries:**

Zale Corporation (50% owned)
Irving, Texas
Operates 1,293 retail jewelry stores and leased departments in all 50 states, Guam, and Puerto Rico.

**Acquisition:**

Gordon Jewelry Corporation
820 Fannin Street
Houston, Texas 77002
(713) 222-8080
Operates approximately 615 jewelry stores throughout the U.S. and in Puerto Rico under the names "Gordon's Jewelers," "Daniel's Jewelers," among others.

**Transfer Agent(s):**

Central Guaranty Trust Company of Canada
88 University Avenue
Toronto, Ontario, Canada

**Stock Exchange(s):** Toronto

**Ticker Symbol:** PCJT (Toronto), PCJQ (Toronto, Class A)

**Number of Stores:** * (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 280 | 1985 | 302 |
| 1987 | 286 | 1984 | 309 |
| 1986 | 296 | | |

* Does not include Zale Corporation or Gordon Jewelry Corporation stores.

**Sales & Earnings†**

| | Net Sales | Net Income + |
|---|---|---|
| 1989 | $ 201,810,000 | $ 21,374,000 |
| 1988 | 200,021,000 | 6,042,000 |
| 1987 | 195,396,000 | (18,066,000) |
| 1986 | 184,837,000 | 3,036,000 |
| 1985 | 177,736,000 | 7,738,000 |

| | No. of Com. Shares | Earn. per Share +‡ |
|---|---|---|
| 1989 | 9,300,926 | $ 1.08 |
| 1988* | 9,819,726 | 0.59 |
| 1987 | 10,159,126 | — |
| 1986 | 9,433,401 | 0.35 |
| 1985 | 8,151,701 | 1.08 |

(Loss)
† In Canadian dollars.
+ Including extraordinary gains of $3,400,000 ($0.33 per share) in 1989 and $1,000,000 ($0.11 per share) in 1986.
‡ Based on the weighted average number of Class A and common shares outstanding combined.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | 0.40 | — | — |
| 1988 | 0.30 | — | — |
| 1987 | 0.30 | — | — |
| 1986 | 0.30 | — | — |
| 1985 | 0.30 | — | — |

† In Canadian dollars.

**Common Stock Equity†**

| | Total Equity ‡ | Equity Per Share |
|---|---|---|
| 1989 | $ 127,765,000 | $ 13.63 |
| 1988 | 121,635,000 | 12.34 |
| 1987 | 111,075,000 | 10.97 |
| 1986 | 129,807,000 | 13.67 |
| 1985 | 110,159,000 | 13.39 |

† In Canadian dollars.
‡ After allowing for preferred stock at stated value.

**Income Account† (000's)**

| Year ended Mar. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 201,810 | $ 200,021 |
| Cost of sales & exp. | 175,195 | 177,407 |
| Depreciation & amortization | 6,475 | 5,369 |
| Interest expense | 4,115 | 2,986 |
| Income before taxes | $ 16,025 | $ 14,259 |
| Income taxes | 7,400 | 7,400 |
| Eq. in earn. of Zale Corp. | (9,349) | 817 |
| Net Income | $ 17,974 | $ 6,042 |
| Extraord. gain | 3,400 | — |
| Net Income & extraord. gain | $ 21,374 | $ 6,042 |

† In Canadian dollars.

**Assets† (000's)**

| As of Mar. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 70 | $ 120 |
| Cust. accts. receiv. | 11,807 | — |
| Accts. receiv., net | 9,796 | 938 |
| *Inventories | 120,513 | 132,029 |
| Prepaid expenses | 3,172 | 2,778 |
| Current Assets | $ 145,358 | $ 135,865 |
| Investments | 73,760 | 65,974 |
| Loans to employees | 6,562 | 6,942 |
| #Fixed assets | 40,065 | 37,646 |
| Other assets | 5,751 | 4,167 |
| Total Assets | $ 271,796 | $ 250,594 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Bank indebtedness | $ 50,361 | $ 39,551 |
| Accts. payable | 10,622 | 16,936 |
| Income & other taxes | 1,391 | 1,445 |
| Long-term debt, curr. | 61 | 4,419 |
| Curr. Liabilities | $ 62,435 | $ 62,351 |

| | | |
|---|---|---|
| Long-term debt | 74,924 | 60,000 |
| +Preferred stock, Series B | 1,282 | 1,533 |
| +Preferred stock, Series C | 5,390 | 5,075 |
| +Class A common stock | 76,469 | 81,135 |
| +Common stock | 82 | 82 |
| Retained earnings | 51,081 | 38,172 |
| Currency trans. adj. | 133 | 2,246 |
| Total Liabilities & Shareholders' Equity | $ 271,796 | $ 250,594 |

† In Canadian dollars.
* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 7.94 | 7.13 |
| % Net Income to Sales | 8.91 | 3.02 |
| % Net Income to Equity | 13.37 | 4.71 |
| Sales to Inventories | 1.67 | 1.51 |
| Debt to Equity | 0.93 | 0.81 |
| Working Capital | $ 82,923,000 | $ 73,514,000 |
| Current Ratio | 2.33 | 2.18 |
| Shareholders' Equity | $ 134,437,000 | $ 128,243,000 |

## The Pep Boys-Manny, Moe & Jack

3111 West Allegheny Avenue
Philadelphia, Pennsylvania 19132
(215) 229-9000

**Officers:** Benjamin Strauss, chairman & chief executive officer; Mitchell G. Leibovitz, president & chief operating officer; M. James Bryce, sr. v.p.-store operations; Philip Adcock, v.p.-western store operations; M. James Bryce, sr. v.p.-store operations; Michael J. Holden, sr. v.p.-finance & treasurer; Frederick A. Stampone, sr. v.p.-administration & secretary; Kenneth R. Naish, v.p.-southwestern store operations; Samuel W. McGarvey, sr. v.p.-merchandising; Thomas R. MacSorley, v.p.-southeastern store operations; Anne W. Thompson, v.p.-marketing; Matthew J. Storey, v.p.-eastern store operations; Donald K. Denbo, v.p.-legal & administration; Thomas F. Ruggieri, v.p.-human resources; Joseph A. Cirelli, v.p.-real estate and construction; Robert V. Goodman, v.p.-management information systems; Stuart M. Rosenfeld, v.p.-distribution; Don L. Casey, asst. v.p.-merchandising; Wilbert B. Dubin, asst. v.p.-merchandising; Steven L. Needham, asst. v.p.-merchandising; Joseph S. Risch, asst. v.p.-merchandising; Bernard K. McElroy, asst. treasurer.

**Directors:** Edward H. Rosen, Lester Rosenfeld, Robert P. Strauss, Benjamin Strauss, Walter G. Arader, Henry A. Gladstone, Bernard J. Korman, Mitchell G. Leibovitz, David V. Wachs, Lennox K. Black.

**Business Activities:** Operates auto supply and accessory stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, California, the District of Columbia, Arizona, New Mexico, Georgia, Texas and Nevada.

**Transfer Agent(s):**

The Philadelphia National Bank
Philadelphia, Pennsylvania

**Stock Exchange(s):** New York

**Ticker Symbol:** PBY

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 243 | 1986 | 159 |
| 1988 | 207 | 1985 | 135 |
| 1987 | 177 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 655,968,000 | $ 42,373,000 |
| 1988 | 553,764,000 | 34,342,000 |
| 1987 | 485,899,000 | 28,148,000 |
| 1986 | 388,914,000 | 21,100,000 |
| 1985 | 348,350,000 | 18,340,000 |

| | No. of Com. Shares | Earn. per Share + |
|---|---|---|
| 1989 | 54,653,324 | $ 0.76 |
| 1988 | 54,569,420 | 0.62 |
| 1987 | 18,075,496 | 0.52 |
| 1986 | 15,704,644 | 0.43 |
| 1985 | 7,833,084 | 0.39 |

+ Adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.095 | — | — |
| 1988 | 0.078 | — | |
| 1987 | 0.072 | — | — |
| 1986 | 0.065 | — | 2-for-1 |
| 1985 | 0.057 | — | — |

+ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 275,653,000 | $ 5.04 |
| 1988 | 237,706,000 | 4.36 |
| 1987 | 206,178,000 | 3.80 |
| 1986 | 130,439,000 | 2.77 |
| 1985 | 111,977,000 | 2.38 |

+ Adjusted to reflect stock splits.

**Income Account**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 655,968,000 | $ 553,764,000 |
| Cost of sales | 409,121,000 | 348,567,000 |
| Expenses | 163,907,000 | 133,896,000 |
| Depreciation & amortization | 17,041,000 | 13,233,000 |
| Other income | (5,473,000) | (7,670,000) |
| Interest expense | 11,182,000 | 5,912,000 |
| Income before taxes | $ 60,190,000 | $ 59,826,000 |
| Income taxes | 22,505,000 | 25,484,000 |
| Cum. effect of change in acct. | (6,688,000) | — |
| Net Income | $ 42,373,000 | $ 34,342,000 |

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 5,034,000 | $ 2,765,000 |
| Marketable securities | 14,973,000 | 16,427,000 |
| Accts. receiv., net | 2,634,000 | 3,326,000 |
| *Inventories | 117,184,000 | 96,440,000 |
| Other curr. assets | 6,625,000 | 3,656,000 |
| Current Assets | $ 146,450,000 | $ 122,614,000 |
| #Fixed assets | 416,108,000 | 310,811,000 |
| Marketable securities | 14,359,000 | 31,170,000 |
| Other assets | 4,887,000 | 5,157,000 |
| Total Assets | $ 581,804,000 | $ 469,752,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,148,000 | $ 1,195,000 |
| Payable to banks | 10,229,000 | 4,151,000 |
| Accts. payable | 41,809,000 | 47,464,000 |
| Accruals | 17,833,000 | 13,950,000 |
| Inc. taxes payable | — | 289,000 |
| Short-term borrowings | 30,250,000 | 9,000,000 |
| Curr. Liabilities | $ 101,269,000 | $ 76,049,000 |
| Long-term debt | 111,999,000 | 63,148,000 |
| Defer. inc. taxes | 17,883,000 | 17,849,000 |
| Conv. subord. debentures | 75,000,000 | 75,000,000 |
| +Common stock | 54,653,000 | 54,569,000 |
| Add. paid-in capital | 27,686,000 | 27,280,000 |
| Retained earnings | 193,939,000 | 156,755,000 |
| Treasury stock | (625,000) | (898,000) |
| Total Liabilites & Shareholders' Equity | $ 581,804,000 | $ 469,752,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 9.18 | 10.80 |
| %Net Income to Sales | 6.46 | 6.20 |
| %Net Income to Equity | 15.37 | 14.45 |
| Sales to Inventories | 5.60 | 5.74 |
| Debt to Equity | 0.56 | 0.33 |
| Working Capital | $ 45,181,000 | $ 46,565,000 |
| Current Ratio | 1.45 | 1.61 |
| Shareholders' Equity | $ 275,653,000 | $ 237,706,000 |

## Perry Drug Stores, Inc.

5400 Perry Drive
P.O. Box 1957
Pontiac, Michigan 48056
(313) 334-1300

**Officers:** Jack A. Robinson, chairman of the board & chief executive officer; David Schwartz, president & chief operating officer; Richard L. Barker, exec. v.p. & chief financial officer; Gary J. Allen, sr. v.p.-store operations; Michael D. Klein, president-Health Care Division; Daniel C. Klaiber, v.p.-human resources; Robert A. Berlow, sr. v.p., secretary & gen. counsel; Dennis W. Schack, treasurer; Robert A. Shapiro, v.p.-pharmacy services; B. Gene Swink, v.p.-distribution; Vick J. Melancon, v.p.-information systems; Paul H. Goldsmith, v.p.-real estate, facilities; J. Stuart Newton, v.p.-finance & controller; Joseph P. McCabe, v.p.-loss prevention; James H. Fowler, asst. v.p.-special projects; Gary M. Stein, asst. v.p.-real estate, property management; William S. Stickel, asst. treasurer; Marsha Katz Eisenberg, asst. secretary & asst. general counsel.

**Directors:** Jack A. Robinson, chairman; Terence E. Adderley, Thomas O. Fox, John A. Bacon, Jr., Claude R. Martin, Jr., Walter J. McCarthy, Jr., David Schwartz, John C. Nicholls, Jr..

**Business Activities:** Operates a chain of 222 retail drug stores and health care centers in the Michigan (184), Illinois (27), Wisconsin (10), and Indiana (1). Also supplies equipment and surgical products to hospitals and physicians.

**Transfer Agent(s):**

National Bank of Detroit
Detroit, Michigan

**Stock Exchange(s):** New York

**Ticker Symbol:** PDS

**Number of Stores:** * (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 222 | 1985 | 191 |
| 1987 | 222 | 1984 | 146 |
| 1986 | 203 | | |

* Does not include a chain of auto parts stores, which was sold in 1988.

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1988 | $ 666,981,000 | $ (29,918,000) |
| 1987 | 592,857,000 | (7,881,000) |
| 1986 | 530,929,000 | 5,878,000 |
| 1985 | 427,368,000 | 9,575,229 |
| 1984 | 328,603,000 | 7,649,998 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 10,072,000 | $ — |
| 1987 | 10,031,000 | — |
| 1986 | 9,985,000 | 0.59 |
| 1985 | 9,809,187 | 0.98 |
| 1984 | 8,470,609 | 0.90 |

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.22 | — | |
| 1986 | 0.22 | — | — |
| 1985 | 0.19 | — | 3-for-2 |
| 1984 | 0.16 | — | — |

‡ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 42,904,000 | $ 4.25 |
| 1987 | 71,936,000 | 7.17 |
| 1986 | 81,570,000 | 8.17 |
| 1985 | 76,782,903 | 7.79 |
| 1984 | 67,202,099 | 7.07 |

‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended Oct. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 666,981,000 | $ 592,857,000 |
| Cost of sales | 492,724,000 | 429,618,000 |
| Expenses | 175,267,000 | 165,499,000 |
| Interest expense | 11,561,000 | 9,813,000 |
| Loss before taxes | $ (12,571,000) | $ (12,073,000) |
| Tax credit | (4,207,000) | (5,674,000) |
| Loss - cont. oper. | $ (8,364,000) | $ (6,399,000) |
| Loss - discont. oper. | (23,354,000) | (1,482,000) |
| Cum. effect of acct. change | 1,800,000 | — |
| Net Loss | $ (29,918,000) | $ (7,881,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $9,060,000 in 1988 and $7,066,000 in 1987.

**Assets**

| As of Oct. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 3,672,000 | $ 6,638,000 |
| Accts. receiv., net | 19,749,000 | 24,151,000 |
| *Inventories | 134,770,000 | 113,523,000 |
| Refund. inc. taxes | 114,000 | 4,172,000 |
| Prepaid expenses | 4,492,000 | 5,583,000 |
| Net assets - discont. oper. | — | 43,562,000 |
| Current Assets | $ 162,797,000 | $ 197,629,000 |
| #Fixed assets | 68,595,000 | 67,240,000 |
| Intangibles & other assets | 28,977,000 | 31,494,000 |
| Net assets - discont. oper. | — | 24,640,000 |
| Total Assets | $ 260,369,000 | $ 321,003,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 19,700,000 | $ 28,000,000 |
| Long-term debt, curr. | — | 16,000,000 |
| Long-term liab., curr. | 1,799,000 | 1,270,000 |
| Accts. payable | 63,232,000 | 67,117,000 |
| Accruals | 16,482,000 | 8,837,000 |
| Deferred inc. taxes | — | 4,391,000 |
| Curr. Liabilities | $ 101,213,000 | $ 125,615,000 |
| Long-term debt | 111,102,000 | 113,072,000 |
| Oblig. under cap. leases | 4,012,000 | 4,154,000 |
| Deferred inc. taxes | 592,000 | 5,758,000 |
| Minority interest | 546,000 | 468,000 |
| +Common stock | 505,000 | 502,000 |
| Add. paid-in capital | 43,933,000 | 43,050,000 |
| Retained earnings (deficit) | (1,534,000) | 28,384,000 |
| Total Liabilities & Shareholders' Equity | $ 260,369,000 | $ 321,003,000 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Debt to Equity | 3.14 | 2.24 |
| Working Capital | $ 61,584,000 | $ 72,014,000 |
| Current Ratio | 1.61 | 1.57 |
| Shareholders' Equity | $ 42,904,000 | $ 71,936,000 |

## Petrie Stores Corporation

70 Enterprise Avenue
Secaucus, New Jersey 07094
(201) 866-3660

**Officers:** Milton J. Petrie, chairman of the board, president & chief exec. officer; Hilda Kirschbaum Gerstein, vice chairman; Dorothy Fink Stern, sr. v.p.-merchandising; Jean Roberts, sr. v.p.-store operations; Jay Galin, sr. v.p. & pres.-G&G Shops, Inc.; Peter A. Left, sr. v.p., secretary & chief financial officer; Allan Laufgraben, sr. v.p. & pres.-"Plus" Size Stores; Nancy Barrett, sr. v.p.; Edward Citro, sr. v.p.; Beverly Evans, sr. v.p.; Daniel Maresca, sr. v.p.; Samuel David Polese, sr. v.p.; Dorothy Spencer, sr. v.p.; Umberto Gallo, sr. v.p.; Murray Robins, sr. v.p.; Robert Sandberg, sr. v.p.; Bernard Apple, sr. v.p.; Edward Milford, sr. v.p.; Michael J. Jackson, sr. v.p.; Thomas Reynolds, sr. v.p.; Irving King, sr. v.p.; Patricia Tyner, sr. v.p.; Joseph Mariano, sr. v.p.; Louis Mascolo, sr. v.p.; Scott Galin, sr. v.p.; Joseph Savini, sr. v.p.; Mary Ellen Colbert, v.p.; Ellen DeLosh, v.p.; Robert Donahue, v.p.; Robert Olszewski, v.p.; Judith Herman, v.p.; Barbara Tinkl, v.p.; Michelle Alexander, v.p.; Lydia Bay, v.p.; Pamela Beech, v.p.; Debra Citro, v.p.; Maureen Crowley, v.p.; Robert King, v.p.; Kathy Connolly Shea, v.p.; Lester Sokolower, v.p.; Ronald Swerdlow, v.p.; Karen Williams, v.p.; Sharon Gottlieb, v.p.; James Hellman, v.p.; Victoria Komas, v.p.; Jean Ponder, v.p.; Milton Quinones, v.p.; Brigitte Kraus Reis, v.p.; Jennifer Ridgely, v.p.; Angela Zimmer, v.p.; Lisa Berry, v.p.; Stephen Birk, v.p.; Patti Boldt-Slattery, v.p.; Sharon Boone, v.p.; Denise Corcoran, v.p.; Michael Egbert, v.p.; Camilla Galluzzo, v.p.; Karen Haluza-Harriston, v.p.; Maria Hamilton, v.p.; Barton Heminover, v.p.; Erin Holden, v.p.; Toni Shostak Karan, v.p.; Barbara Clickenger Maron, v.p.; Deborah Matejik, v.p.; Peter Ring, v.p.; Ralph Scala, v.p.; Iris Schnee, v.p.; Barbara Shannon, v.p.; Phyllis Sicheri, v.p.; Debra Simon, v.p.; Arlene Wagner, v.p..

**Directors:** Milton J. Petrie, chairman; Hilda Kirschbaum Gerstein, Jean Roberts, Dorothy Fink Stern, H. Fred Krimendahl, II, Jay Galin, Joseph H. Flom, Laurence A. Tisch.

**Business Activities:** Operates clothing stores in 48 states specializing in moderate-price apparel for teen, junior and contemporary miss customers. Stores are also located in the Virgin Island, Puerto Rico, and the District of Columbia. Stores operate under the names "Petrie's," "Marianne," "Stuarts," "G&G," "Hartfield's," "Winkleman's," "Jean Nicole," "M.J. Carroll," and "Rave."

**Transfer Agent(s):**

American Stock Transfer & Trust Company
New York, New York

**Stock Exchange(s):** New York, Philadelphia

**Ticker Symbol:** PST

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,584 | 1985 | 1,360 |
| 1987 | 1,474 | 1984 | 953 |
| 1986 | 1,345 | | |

**Sales & Earnings**

| | Net Sales | Net Income ‡ |
|---|---|---|
| 1989 | $ 1,218,341,000 | $ 92,182,000 |
| 1988 | 1,241,554,000 | 47,543,000 |
| 1987 | 1,198,391,000 | 73,691,000 |
| 1986 | 1,160,845,717 | 77,901,803 |
| 1985 | 951,105,659 | 54,643,000 |

| | No. of Com. Shares # | Earn. per Share ‡ # |
|---|---|---|
| 1989 | 46,766,000 | $ 1.97 |
| 1988 | 46,767,000 | 1.02 |
| 1987 | 46,766,000 | 1.58 |
| 1986 | 42,977,486 | 1.81 |
| 1985 | 42,180,834 | 1.30 |

‡ Including extraordinary gain of $57,100,000 ($1.22 per share) in 1989.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.20 | — | — |
| 1988 | 0.575 | — | |
| 1987 | 0.70 | — | — |
| 1986 | 0.70 | — | 2-for-1 |
| 1985 | 0.70 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1989 | $ 621,309,000 | $ 13.28 |
| 1988 | 538,433,000 | 11.51 |
| 1987 | 517,758,000 | 11.07 |
| 1986 | 476,714,523 | 11.09 |
| 1985 | 322,673,407 | 7.65 |

† Adjusted to reflect stock split.

**Income Account ***

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 1,218,341,000 | $ 1,241,554,000 |
| Other income | 7,566,000 | 7,056,000 |
| Total income | $ 1,225,907,000 | $ 1,248,610,000 |
| Cost of sales | 884,916,000 | 924,535,000 |
| Expenses | 275,214,000 | 270,902,000 |
| Interest expense | 10,465,000 | 33,723,000 |
| Equity earnings | (3,036,000) | (50,246,000) |
| Income before taxes | $ 58,348,000 | $ 69,696,000 |
| Income taxes | 23,266,000 | 22,153,000 |
| Net Income | $ 35,082,000 | $ 47,543,000 |
| Extraord. gain | 57,100,000 | — |
| Net Income & extraord. gain | $ 92,182,000 | $ 47,543,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $56,791,000 in 1989 and $51,999,000 in 1988.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash & short-term invest. | $ 117,930,000 | $ 81,429,000 |
| Accts. receiv., net | 26,042,000 | 26,609,000 |
| *Inventories | 111,398,000 | 118,704,000 |
| Refund. inc. taxes | — | 12,700,000 |
| Prepaid expenses | 5,598,000 | 7,332,000 |
| Current Assets | $ 260,968,000 | $ 246,774,000 |
| Investments | 173,441,000 | 410,857,000 |
| #Fixed assets | 332,679,000 | 361,288,000 |
| Exc. of cost over assets acq. | 104,302,000 | 107,242,000 |
| Other assets | 3,100,000 | 8,121,000 |
| Total Assets | $ 874,490,000 | $ 1,134,282,000 |

**Liabilities**

| | | |
|---|---|---|
| Cap. lease oblig., curr. | $ 211,000 | $ 190,000 |
| Accts. payable | 27,517,000 | 22,075,000 |
| Accruals | 26,120,000 | 23,132,000 |
| Income taxes | 14,798,000 | — |
| Deferred inc. taxes | 34,000 | 3,685,000 |
| Curr. Liabilities | $ 68,680,000 | $ 49,082,000 |
| Oblig. under cap. lease | 255,000 | 465,000 |
| Deferred inc. taxes | 59,261,000 | 71,982,000 |
| Subord. exch. deben. | — | 349,320,000 |
| Convert. subord. deben. | 124,985,000 | 125,000,000 |
| +Common stock | 46,769,000 | 46,768,000 |
| Add. paid-in caital | 93,927,000 | 93,911,000 |
| Retained earnings | 480,729,000 | 397,900,000 |
| Treasury stock | (10,000) | (9,000) |
| Unamort. portion of stock bonus | (106,000) | (137,000) |
| Total Liabilities & Shareholders Equity | $ 874,490,000 | $ 1,134,282,000 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.79 | 5.61 |
| %Net Income to Sales | 2.88 | 3.83 |
| %Net Income to Equity | 5.65 | 8.83 |
| Sales to Inventories | 10.94 | 10.46 |
| Working Capital | $ 192,288,000 | $ 197,692,000 |
| Current Ratio | 3.80 | 5.03 |
| Shareholders' Equity | $ 621,309,000 | $ 538,433,000 |

## Phillips-Van Heusen Corporation

1290 Avenue of the Americas
New York, New York 10104
(212) 541-5200

**Officers:** Lawrence S. Phillips, chairman; Bruce J. Klatsky, president; Irwin W. Winter, v.p. & chief financial officer; Michael Frenkel, v.p. & counsel; Pamela N. Hootkin, v.p., treasurer & secretary; Cynthia L. Tarantino, v.p. & controller; James J. Murphy, v.p.; Murray Weinberg, v.p.; Walter C. Zambrovitz, v.p.; Mark Weber, v.p..

**Directors:** Lawrence S. Phillips, chairman; Shirley Goodman Brown, Edward H. Cohen, Estelle Ellis, Bruce J. Klatsky, Bruce Maggin, Ellis E. Meredith, James J. Murphy, Steven L. Osterweis, William S. Scolnick, Peter J. Solomon, Irwin W. Winter.

**Business Activities:** Manufactures men's dress shirts, sport shirts, jeans, topcoats, raincoats, sweaters, slacks, sportswear, outerwear, suits and sportscoats; women's shirts and blouses; and men's and women's shoes. Also operates retail clothing stores and shoe stores.

**Divisions and Subsidiaries:**

**Retail Division**

The Retail Group
Van Heusen Retail
G. H. Bass Retail

**Manufacturing Divisio**

The Van Heusen Group Companies
The Van Heusen Company
The Designer Group
The Pickwick Company
The Van Heusen Corporate Markets Company

Private Label Sportswear Group
PVH Somerset Company
Somerset Knitting Mills, Inc.

All at:

1290 Avenue of Americas
New York, New York 10104

G. H. Bass & Co.
Engaged in the manufacture, distribution and retail marketing of men's and women's shoes.

**Transfer Agent(s):**

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

**Stock Exchange(s):** New York

**Ticker Symbol:** PVH

N.A. - Not Available.

**Sales & Earnings**

| | Net Sales † | Net Income |
|---|---|---|
| 1989 | $ 641,038,000 | $ 20,669,000 |
| 1988 | 500,025,000 | 30,009,000 |
| 1987 | 370,932,000 | 20,101,000 |
| 1986 | 397,466,000 | 15,935,000 |
| 1985* | 401,111,000 | 15,298,000 |

| | No. of Com. Shares ‡ | Earn. per Share + |
|---|---|---|
| 1989 | 9,049,000 | $ 1.34 |
| 1988 | 9,039,000 | 1.97 |
| 1987 | 15,134,000 | 1.27 |
| 1986 | 15,279,000 | 1.02 |
| 1985* | 15,231,000 | 0.98 |

* 53 weeks.
† Including operating revenues; of continuing operations only.
‡ Adjusted to reflect stock split.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1989 | 1988 |
|---|---|---|
| Apparel | $ 460,342 | $ 416,407 |
| Footwear | 180,696 | 83,618 |
| Total | $ 641,038 | $ 500,025 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.28 | — | — |
| 1988 | 0.25 | — | — |
| 1987 | 0.16 | — | — |
| 1986 | 0.16 | — | — |
| 1985 | 0.16 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1989 | $ 32,476,000 | $ 3.59 |
| 1988 | 22,456,000 | 2.48 |
| 1987 | 164,522,000 | 10.87 |
| 1986 | 150,676,000 | 9.86 |
| 1985 | 137,567,000 | 9.03 |

+ Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended | 1/29/89 | 1/31/88 |
|---|---|---|
| Net sales & rev. | $ 641,038 | $ 500,025 |
| Cost of sales | 438,169 | 350,364 |
| Expenses | 157,173 | 110,156 |
| Other expense (income) | 2,201 | (2,678) |
| Interest income | (1,159) | (2,040) |
| Interest expense | 17,268 | 8,250 |
| Income before taxes | $ 27,386 | $ 35,973 |
| Income taxes | 6,565 | 14,655 |
| Inc. - cont. oper. | $ 20,821 | $ 21,318 |
| Inc. (loss) - discont. oper. | (152) | 8,691 |
| Net Income | $ 20,669 | $ 30,009 |

* Included in Costs and Expenses, Depreciation and Amortization: $6,237,000 in 1989 and $5,150,000 in 1988.

**Assets**
(000's)

| As of | 1/29/89 | 1/31/88 |
|---|---|---|
| Cash | $ 9,907 | $ 22,621 |
| Receiv., net | 59,906 | 70,136 |
| *Inventories | 173,325 | 142,818 |
| Other curr. assets | 9,028 | 7,545 |
| Net assets held for sale | 12,873 | 15,015 |
| Curr. Assets | $ 265,039 | $ 258,135 |
| #Fixed assets | 42,282 | 47,487 |
| Intangibles | 3,453 | 3,255 |
| Other assets | 12,359 | 8,896 |
| Total Assets | $ 323,133 | $ 317,773 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 12,521 | $ 4,539 |
| Cap. lease oblig., curr. | 328 | 301 |
| Accts. payable | 24,424 | 26,046 |
| Accruals | 50,649 | 49,344 |
| Income taxes | 269 | 6,511 |
| Curr. Liabilities | $ 88,191 | $ 86,741 |
| Long-term debt | 113,476 | 117,596 |
| Cap. lease oblig. | 2,924 | 3,252 |
| Other liabilities | 13,266 | 14,928 |
| Redeem. preferred stock | 72,800 | 72,800 |
| +Common stock | 15,778 | 15,766 |
| Add. paid-in capital | 31,011 | 30,927 |
| Retained earnings | 159,517 | 149,570 |
| Treasury stock | (173,830) | (173,807) |
| Total Liabilities & Shareholders' Equity | $ 323,133 | $ 317,773 |

* At lower of cost or market. Apparel at LIFO; footwear at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Net Income to Equity | 63.64 | — |
| Debt to Equity | 3.98 | 5.60 |
| Working Capital | $ 176,848,000 | $ 171,394,000 |
| Current Ratio | 3.01 | 2.98 |
| Shareholders' Equity | $ 32,476,000 | $ 22,456,000 |

## Pic 'n' Save Corporation

2430 E. Del Amo Boulevard
Dominguez, California 90220-6306
(213) 537-9220

**Officers:** Lewis B. Merrifield, III, president & chief executive officer; William M. Jacobs, Jr., sr. v.p. & chief financial officer; Steven Miral, sr. v.p. & general merchandise manager; Sheldon S. McClusky, v.p.-warehousing & distribution; Raymond L. Kugel, asst. treasurer & secretary; Gerald J. Mignacca, v.p.-marketing; David E. Blakely, sr. v.p.-store operations & distribution; James E. Mettee, v.p.-development; Todd K. Turnham, v.p.-information resource management; John F. Hoffner, controller; Dennis E. Biberston, asst. v.p. & regional manager; Edward L. M. Corn, asst. v.p. & regional manager; Stephen M. Mess, asst. v.p. & regional manager.

**Directors:** Arthur Frankel, Lewis B. Merrifield, III, John T. Gurash, David Amsterdam, Stafford R. Grady.

**Business Activities:** Operates a chain of 158 self-service, cash-and-carry retail stores specializing in the discount sale of new "close-out" merchandise. Stores are operated under the names "Pic 'n' Save" and "Job Lot-Push Cart" and are located in California, New York, Arizona, Nevada, New Mexico, Texas, Colorado, Idaho and Utah.

**Transfer Agent(s):**

First Interstate Bank of California
26610 West Agoura Road
Calabasas, California 91302

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** PICN (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 158 | 1985 | 94 |
| 1987 | 125 | 1984 | 90 |
| 1986 | 101 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 401,705,000 | $ 46,915,000 |
| 1987 | 361,729,000 | 47,313,000 |
| 1986 | 303,466,000 | 39,767,000 |
| 1985 | 278,072,000 | 41,074,000 |
| 1984 | 235,147,000 | 36,510,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 37,865,000 | $ 1.24 |
| 1987 | 39,472,000 | 1.20 |
| 1986 | 39,555,000 | 1.01 |
| 1985 | 39,485,000 | 1.04 |
| 1984 | 43,731,000 | 0.83 |

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | 3-for-2 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 189,727,000 | $ 5.01 |
| 1987 | 192,014,000 | 4.86 |
| 1986 | 152,388,000 | 3.85 |
| 1985 | 112,252,000 | 2.84 |
| 1984 | 70,878,000 | 1.62 |

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 401,705 | $ 361,729 |
| Cost of sales | 193,958 | 169,633 |
| Store expenses | 88,130 | 74,301 |
| Warehouse expenses | 41,919 | 32,049 |
| Interest income | (44) | (896) |
| Income before taxes | $ 77,742 | $ 86,642 |
| Income taxes | 30,827 | 39,329 |
| Net income | $ 46,915 | $ 47,313 |

* Included in Costs and Expenses, Depreciation and Amortization: $8,661,000 in 1988 and $4,763,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 17,316 | $ 38,800 |
| Market. secur. | 1,700 | 14,900 |
| *Inventories | 105,908 | 90,724 |
| Other current assets | 5,505 | 3,893 |
| Current Assets | $ 130,429 | $ 148,317 |
| #Fixed assets | 130,054 | 89,042 |
| Other assets | 1,300 | 1,128 |
| Total Assets | $ 261,783 | $ 238,487 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Loan payable | $ 3,000 | $ — |
| Accts. payable | 19,701 | 9,251 |
| Accruals | 20,336 | 15,838 |
| Income taxes | 7,543 | 10,938 |
| Sales tax pay. | 5,565 | 4,322 |
| Curr. Liabilities | $ 56,145 | $ 40,349 |
| Long-term debt | 8,767 | 1,318 |
| Deferred inc. taxes | 6,462 | 4,124 |
| Accrued bonus | 682 | 682 |
| +Common stock | 1,114 | 1,099 |
| Add. paid-in capital | 13,860 | 6,289 |
| Retained earnings | 239,433 | 192,518 |
| Treasury stock | (57,127) | (7,892) |
| Receiv. under stock purchase agree. | (7,553) | — |
| Total Liabilities & Shareholders' Equity | $ 261,783 | $ 238,487 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02778 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 19.35 | 23.95 |
| %Net Income to Sales | 11.68 | 13.08 |
| %Net Income to Equity | 24.73 | 24.64 |
| Sales to Inventories | 3.79 | 3.99 |
| Debt to Equity | 0.06 | 0.01 |
| Working Capital | $ 74,284,000 | $ 107,968,000 |
| Current Ratio | 2.32 | 3.68 |
| Shareholders' Equity | $ 189,727,000 | $ 192,014,000 |

## Pier 1 Imports, Inc.

(57.3% owned by Intermark Inc.)

Suite 600
301 Commerce Street
Fort Worth, Texas 76102
(817) 878-8000

**Officers:** Clark A. Johnson, chairman & chief executive officer; Marvin J. Girouard, president & chief operating officer; Thomas A. Christopher, exec. v.p.; Robert G. Herndon, exec. v.p., chief financial and administrative officer; E. Mitchell Weatherly, v.p.-human resources; J. Rodney Lawrence, v.p.-legal affairs & secretary.

**Directors:** Luther A. Henderson, Clark A. Johnson, Lawrence P. Kiamon, Charles R. Scott, Thomas N. Warner, Sally F. McKenzie, Marvin J. Girouard.

**Business Activities:** Owns and operates a chain of 450 retail stores that sell imported and domestic gift items, home decorating accessories and furniture, outdoor and personal accessories in 39 states and three Canadian provinces.

**Transfer Agent(s):**

Texas American Bank/Fort Worth N.A.
Corporate Trust Department
P.O. Box 2604
Fort Worth, Texas 76113

**Stock Exchange(s):** New York

**Ticker Symbol:** PIR

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 450 | 1985 | 306 |
| 1987 | 396 | 1984 | 264 |
| 1986 | 350 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 414,646,000 | $ 21,600,000 |
| 1988 | 327,226,000 | 15,825,000 |
| 1987 | 262,297,000 | 11,970,000 |
| 1986 | 203,939,000 | 13,733,000 |
| 1985 | 173,466,000 | 22,571,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 30,665,000 | $ 0.70 |
| 1988 | 30,610,000 | 0.52 |
| 1987 | 28,973,000 | 0.41 |
| 1986 | 25,493,000 | 0.54 |
| 1985 | 24,222,000 | 0.93 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.09 | — | — |
| 1988 | 0.06 | — | — |
| 1987 | 0.02 | — | 4-for-3 & 3-for-2 |
| 1986 | 0.01 | 10% | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 114,270,000 † | $ 3.73 |
| 1988 | 92,641,000 † | 3.03 |
| 1987 | 73,449,000 † | 2.54 |
| 1986 | 48,543,000 | 1.90 |
| 1985 | 89,178,000 | 3.68 |

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

## Pier 1 Imports, Inc.

**Income Account**
(000's)

| Year ended Feb. 28 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 414,646 | $ 327,226 |
| Cost of sales | 197,138 | 156,753 |
| Expenses | 162,994 | 130,235 |
| Depreciation & amortization | 11,452 | 8,826 |
| Interest expense | 10,022 | 8,194 |
| Credit card costs | 1,120 | — |
| Income before taxes | $ 31,920 | $ 23,218 |
| Income taxes | 10,070 | 7,143 |
| Net Income | $ 21,850 | $ 16,075 |

**Assets**
(000's)

| As of Feb. 28 | 1989 | 1988 |
|---|---|---|
| Cash | $ 3,744 | $ 8,219 |
| Marketable securities | 15,888 | 32,956 |
| Accts. receiv., net | 20,832 | 2,208 |
| *Inventories | 130,224 | 103,526 |
| Other curr. assets | 7,714 | 6,358 |
| Current Assets | $ 178,402 | $ 153,267 |
| #Fixed Assets | 111,452 | 79,114 |
| Other assets | 10,052 | 25,550 |
| Total Assets | $ 299,906 | $ 257,931 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable & long-term debt, curr. | $ 16,267 | $ 33,480 |
| Accts. payable & accruals | 44,951 | 32,589 |
| Curr. Liabilities | $ 61,218 | $ 66,069 |
| Long-term debt | 121,313 | 96,530 |
| Def. income taxes | 1,605 | 1,191 |
| +Preferred stock | 1,500 | 1,500 |
| ++Common stock | 30,399 | 30,399 |
| Add. paid-in capital | 43,475 | 43,336 |
| Retained earnings | 40,895 | 22,015 |
| Cum. trans. adjust. | 568 | 153 |
| Treasury stock | (1,067) | (3,262) |
| Total Liabilities & Shareholders' Equity | $ 299,906 | $ 257,931 |

* At lower of moving average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; formula rate.
++ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sale | 7.70 | 7.10 |
| %Net Income to Sales | 5.27 | 4.91 |
| %Net Income to Equity | 18.87 | 17.08 |
| Sales to Inventories | 3.18 | 3.16 |
| Debt to Equity | 1.19 | 1.38 |
| Working Capital | $ 117,184,000 | $ 86,007,000 |
| Current Ratio | 2.91 | 2.22 |
| Shareholders' Equity | $ 115,770,000 | $ 94,141,000 |

## The Present Co., Inc.

(Became a privately held corporation in October 1987.)

3042 West Ridge Road
Rochester, New York 14626
(716) 227-0700

**Officers:** Gordon S. Present, chairman; James R. Present, president & chief exec. officer; Robert E. Meagher, sr. v.p. & secretary; Myles B. Weiner, v.p.-merchandising; Norman Kramer, v.p.-operations.

**Directors:** Gordon S. Present, chairman; Robert E. Meagher, Beryl M. Present, James R. Present, Charles T. Zelter, John Lovenheim.

**Business Activities:** Operates 18 catalog-showrooms and one jewelry store in New York State.

**Subsidiary:**

Present Yachts Inc.
Sells yachts constructed in Taiwan.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 19 | 1984 | 11 |
| 1986 | 16 | 1983 | 11 |
| 1985 | 14 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1987 | $ 58,028,787 | $ 1,552,629 |
| 1986 | 48,133,804 | 1,271,284 |
| 1985+ | 38,665,757 | 815,593 |
| 1984 | 30,076,037 | 381,229 |
| 1983* | 22,570,442 | 266,234 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1987 | 2,195,415 | $ 0.71 |
| 1986 | 1,824,856 | 0.70 |
| 1985+ | 1,385,958 | 0.59 |
| 1984 | 1,354,626 | 0.28 |
| 1983* | 1,443,288 | 0.11 |

+ 53 weeks.
* 10 months.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | — | — | — |
| 1986 | — | — | |
| 1985 | — | — | — |
| 1984 | — | — | — |
| 1983 | — | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1987 | $ 11,834,125 | $ 5.39 |
| 1986 | 10,136,000 | 5.55 |
| 1985 | 4,163,000 | 3.00 |
| 1984 | 3,315,000 | 2.45 |
| 1983 | 2,934,000 | 2.03 |

† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended | 1/31/87 | 2/1/86 |
|---|---|---|
| Net sales | $ 58,028,787 | $ 48,133,804 |
| Cost of sales | 41,976,125 | 35,092,655 |
| Expenses | 12,756,602 | 10,514,655 |
| Interest expense | 174,431 | 87,210 |
| Income before taxes | $ 3,121,629 | $ 2,439,284 |
| Income taxes | 1,569,000 | 1,168,000 |
| Net Income | $ 1,552,629 | $ 1,271,284 |

* Included in Costs and Expenses, Depreciation and Amortization: $438,783 in 1987 and $344,517 in 1986.

**Assets**

| As of | 1/31/87 | 2/1/86 |
|---|---|---|
| Cash | $ 1,712,677 | $ 2,448,216 |
| Accts. receiv., net | 672,591 | 700,458 |
| *Inventories | 19,594,034 | 18,705,483 |
| Prepaid expenses | 883,704 | 670,037 |
| Current Assets | $ 22,863,006 | $ 22,524,194 |
| #Fixed assets | 3,893,983 | 3,033,794 |
| Total Assets | $ 26,756,989 | $ 25,557,988 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 1,500,000 | $ — |
| Accts. payable | 7,961,373 | 10,993,515 |
| Accruals | 3,046,437 | 2,461,962 |
| Income taxes | 1,348,289 | 1,026,058 |
| Customer deposits | 260,548 | 196,739 |
| Cap. lease oblig. curr. | 68,831 | 121,548 |
| Curr. Liabilities | $ 14,185,478 | $ 14,799,822 |
| Deferred inc. taxes | 693,186 | 501,186 |
| Long-term debt | 44,200 | 121,306 |
| +Common stock- | 217,921 | 210,114 |
| Add. paid-in capital | 5,666,822 | 5,592,557 |
| Retained earnings | 5,949,382 | 4,396,753 |
| Treasury stock | — | (63,750) |
| Total Liabilities & Shareholders' Equity | $ 26,756,989 | $ 25,557,988 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.[illegible] par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.38 | 5.07 |
| %Net Income to Sales | 2.68 | 2.64 |
| %Net Income to Equity | 13.12 | 12.54 |
| Sales to Inventories | 2.96 | 2.57 |
| Debt to Equity | 0.01 | 0.02 |
| Working Capital | $ 8,677,528 | $ 7,726,372 |
| Current Ratio | 1.61 | 1.52 |
| Shareholders' Equity | $ 11,834,125 | $ 10,135,674 |

## Pueblo International, Inc.

(Went private via a leveraged buyout on June 4, 1988.)

Loiza Expressway
Corner of Campo Rico Avenue
Carolina, Puerto Rico 00630
(809) 757-3131

1300 Northwest 22nd Street
Pompano Beach, Florida 33069
(305) 977-2500

P.O. Box 3288
San Juan, Puerto Rico 00936

**Officers:** Harold Toppel, chairman of the board & chief exec. officer; David W. Morrow, president and chief operating officer; Walter O. Joachim, exec. v.p.; Milton Toppel, v.p.-publication affairs; Jeffrey P. Freimark, sr. v.p.-finance & administration and treasurer; Robert Locke, sr. v.p.-planning and development; Ignacio Rivera, v.p., general counsel and secretary; Rafael Torres, v.p., asst. secretary & asst. treasurer.

**Directors:** Harold Toppel*, chairman; William C. Lang, Milton Toppel, A. Michael Victory, Abraham Zalcznik*, Guillermo Rodriguez-Beatitez, Revenol Duryea*, Carlos O. Souffront, Richard W. McEwen, David W. Morrow*, Harold G. Beckner.

* Member of the Executive Committee

**Business Activities:** Operates conventional supermarkets in Puerto Rico and the U.S. Virgin Islands, and Xtra Super Food Centers in Puerto Rico and Florida.

**Division:**

Pueblo Supermarkets Division

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 49 | 1985 | 42 |
| 1987 | 44 | 1984 | 44 |
| 1986 | 43 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1988 | $ 816,100,000 | $ (480,000) |
| 1987* | 692,101,000 | 6,774,000 |
| 1986 | 596,794,000 | 6,587,000 |
| 1985 | 518,335,000 | 5,105,000 |
| 1984 | 476,806,000 | 3,882,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ † |
|---|---|---|
| 1988 | 3,504,000 | $ — |
| 1987* | 3,604,000 | 1.88 |
| 1986 | 3,713,000 | 1.77 |
| 1985 | 3,773,000 | 1.35 |
| 1984 | 3,751,000 | 1.03 |

* 53 weeks
† Including extraordinary gains of $610,000 ($0.12 per share) in 1987, $1,288,000 ($0.34 per share) in 1986, $1,416,000 ($0.38 per share) in 1985 and $733,000 ($0.19 per share) in 1984.
‡ Based on the weighted average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.20 | — | — |
| 1987 | 0.18 | — | |
| 1986 | 0.16 | — | — |
| 1985 | 0.16 | — | — |
| 1984 | 0.16 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 52,113,000 | $ 15.12 |
| 1987 | 55,899,000 | 15.62 |
| 1986 | 50,432,000 | 14.07 |
| 1985 | 47,447,000 | 12.54 |
| 1984 | 42,840,000 | 11.39 |

**Income Account**

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Net sales | $ 816,100,000 | $ 692,101,000 |
| Cost of sales | 642,364,000 | 541,506,000 |
| Expenses | 150,898,000 | 127,617,000 |
| Depreciation & amortization | 10,764,000 | 8,874,000 |
| Interest expense | 8,191,000 | 7,450,000 |
| Loss (gain) on sale of invest. secur. | 1,529,000 | (664,000) |
| Other income | (2,256,000) | (3,147,000) |
| Income before taxes | $ 4,610,000 | $ 10,465,000 |
| Income taxes | 5,090,000 | 4,301,000 |
| Net Income (Loss) | $ (480,000) | $ 6,164,000 |
| Extraord. gain | — | 610,000 |
| Net Income (Loss) & extraord. gain | $ (480,000) | $ 6,774,000 |

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ 25,825,000 | $ 16,094,000 |
| Marketable securities | 9,991,000 | 29,458,000 |
| Accts. receiv., net | 5,024,000 | 5,545,000 |
| *Inventories | 47,311,000 | 34,544,000 |
| Prepaid expenses | 6,411,000 | 7,421,000 |
| Current Assets | $ 94,762,000 | $ 93,062,000 |
| #Fixed assets | 108,354,000 | 87,565,000 |
| Prop. held under cap. leases | 28,316,000 | 22,328,000 |
| Short-term investment | 5,525,000 | 12,957,000 |
| Other assets | 5,835,000 | 4,820,000 |
| Total Assets | $ 242,792,000 | $ 220,932,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 3,878,000 | $ 3,473,000 |
| Cap. lease oblig., curr. | 1,233,000 | 1,074,000 |
| Accts. payable | 55,368,000 | 38,894,000 |
| Dividends payable | 172,000 | 180,000 |
| Accruals | 21,964,000 | 18,475,000 |
| Income taxes | 1,387,000 | 348,000 |
| Curr. Liabilities | $ 84,002,000 | $ 62,444,000 |
| Conv. subord. debentures | 24,990,000 | 25,000,000 |
| Long-term debt | 45,766,000 | 49,381,000 |
| Cap. lease oblig. | 31,140,000 | 24,891,000 |
| Other defer. credits & liabilities | 4,781,000 | 3,317,000 |
| +Common stock | 4,907,000 | 4,903,000 |
| Add. paid-in capital | 10,643,000 | 10,617,000 |
| Retained earnings | 48,352,000 | 49,533,000 |
| Treasury stock | (11,789,000) | (9,154,000) |
| Total Liabilities & Shareholders' Equity | $ 242,792,000 | $ 220,932,000 |

* At LIFO or at cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.56 | 1.51 |
| %Net Income to Sales | — | 0.89 |
| %Net Income to Equity | — | 11.03 |
| Sales to Inventories | 17.18 | 20.04 |
| Debt to Equity | 1.57 | 1.41 |
| Working Capital | $ 10,760,000 | $ 30,618,000 |
| Current Ratio | 1.13 | 1.49 |
| Shareholders' Equity | $ 52,113,000 | $ 55,899,000 |

## Quality Food Centers, Inc.

10112 N.E. 10th Street
Bellevue, Washington 98004
(206) 455-3761

**Officers:** Stuart M. Sloan, chairman; Jack Croco, president & chief exec. officer; Dan Kourkoumelis, exec. v.p. & chief operating officer; Ruth F. Cook, sr. v.p.; Marc W. Evanger, v.p. & chief financial officer; Robert Alfano, v.p.-produce operations; Lee Crowthers, v.p.-architect; Charles Griffin, v.p.-store operations; Robert Hall, v.p.-meat operations; Howard Weisberg, v.p.-information systems.

**Directors:** Stuart M. Sloan, chairman; Jack Croco, Victor D. Alhadeff, Fred B. McLaren, Ronald A. Weinstein.

**Business Activities:** Operates a chain of 22 supermarkets in the Seattle,King County, Washington area.

**Transfer Agent(s):**

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302
(206) 455-3761

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** QFCI (NASDAQ)

**Number of Stores** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 22 | 1984 | 21 |
| 1986 | 22 | 1983 | 20 |
| 1985 | 21 | | |

**Sales & Earnings**

| | Net Sales | Net Income x |
|---|---|---|
| 12/26/87 | $ 189,611,000 | $ 3,380,000 |
| 12/27/86* | 89,636,000 | 977,000 |
| 6/16/86+# | 68,706,000 | 1,165,000 |
| 12/28/85+ | 136,768,000 | 2,891,000 |
| 12/29/84+ | 128,401,000 | 1,956,000 |

| | No. of Com. Shares † | Earn. per Share ‡ X |
|---|---|---|
| 12/26/87 | 4,750,000 | $ 0.78 |
| 12/27/86* | 3,325,000 | 0.29 |

* 28 weeks.
# 24 weeks.
+ Predecessor company.
x Including extraordinary loss of $891,000 ($0.20 per share) in 1987.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 12/26/87 | — | — | — |
| 12/27/86 | — | — | |

‡ Effective Mar. 4, 1987.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 12/26/87 | $ 23,166,469 | $ 4.88 |
| 12/27/86 | 2,977,346 | 0.90 |
| 6/16/86 | 2,000,000 | — |

‡ Adjusted to reflect stock split.

**Income Account***

| Year ended | 12/26/87 | 12/27/86 |
|---|---|---|
| Net sales | $ 189,611,444 | $ 89,636,492 |
| Cost of sales | 146,380,619 | 69,780,193 |
| Expenses | 34,464,620 | 16,331,447 |
| Interest expense | 1,935,103 | 1,820,315 |
| Interest income | (324,771) | (119,809) |
| Income before taxes | $ 7,155,873 | $ 1,824,346 |
| Income taxes | 2,885,000 | 847,000 |
| Net Income | $ 4,270,873 | $ 977,346 |
| Extraord. gain | 891,000 | — |
| Net Income & extraord. gain | $ 3,379,873 | $ 977,346 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,731,962 in 1987 and $1,350,715 in 1986.

**Assets**

| As of | 12/26/87 | 12/27/86 |
|---|---|---|
| Cash | $ 2,648,303 | $ 542,328 |
| Short-term invest. | 5,260,000 | 3,370,000 |
| Accts. receiv., net | 1,032,094 | 350,284 |
| *Inventories | 6,155,633 | 5,726,242 |
| Prepaid expenses | 153,075 | 300,465 |
| Current Assets | $ 15,249,105 | $ 10,489,319 |

| | | |
|---|---|---|
| #Fixed assets | 17,802,782 | 13,832,664 |
| Leasehold interest | 13,305,254 | 14,248,770 |
| Debt issuance costs | 568,636 | 1,218,199 |
| Intangibles | 501,448 | 514,486 |
| Other assets | 160,819 | 314,540 |
| Total Assets | $ 47,588,064 | $ 40,617,978 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ — | $ 642,857 |
| Accts. payable | 8,165,971 | 5,684,364 |
| Accrued payroll | 3,414,225 | 2,496,568 |
| Accrued taxes | 1,017,212 | 864,812 |
| Other accruals | 862,483 | 694,582 |
| Income taxes | 407,000 | 294,000 |
| Accrued interest | 44,064 | 292,010 |
| Curr. Liabilities | $ 13,910,955 | $ 10,969,193 |
| Long-term debt | 9,941,601 | 26,235,400 |
| Deferred inc. taxes | 133,000 | — |
| Other liabilities | 436,039 | 436,039 |
| +Common stock | 18,809,250 | 2,000,000 |
| Retained earnings | 4,257,219 | 977,346 |
| Total Liabilities & Shareholders' Equity | $ 47,588,064 | $ 40,617,978 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.77 | 2.04 |
| %Net Income to Sales | 2.25 | 1.09 |
| %Net Income to Equity | 18.44 | 32.83 |
| Sales to Inventories | 30.80 | 15.65 |
| Debt to Equity | 0.43 | 9.03 |
| Working Capital | $ 1,338,150 | — |
| Current Ratio | 1.10 | — |
| Shareholders' Equity | $ 23,166,469 | $ 2,977,346 |

## Rapid-American Corporation

725 Fifth Avenue
New York, New York 10022
(212) 735-9500

(A privately held corporation owned by Riklis Family Corporation)

**Officers:** Meshulam Riklis, chairman of the board, president & chief exec. officer; Harold S. Divine, vice chairman of the board; Daniel J. Manella, exec. v.p.; Marcia Riklis, exec. v.p.; Paul Weiner, sr. v.p.; Andrew Gregor, sr.v.p.-finance & treasurer; Michael J. Magenheim, controller & asst. treasurer; James Pollak, secretary.

**Directors:** Meshulam Riklis*, chairman; Simona Riklis Ackerman*, Harold S. Divine, Arie Genger, Ira Riklis*, Marcia Riklis*, Abraham G. Levin, Leonard C. Lane, Daniel J. Manella..

* Member of the Executive Committee

**Business Activities:** The Company is engaged through its subsidiary, McCrory Corporation, in retail merchandising. McCrory currently operates 1,240 variety stores in 39 states and the District of Columbia under the "McCrory," "McLellan," "H.L. Green," "J. J. Newberry," "T.G. & Y." and "S.H. Kress" names. These stores sell a broad mix of consumer merchandise; restaurants or luncheonettes are operated in 276 stores; five free-standing restaurants are also operated. The Company's Gault Brothers subsidiary distributes general merchandise to retail establishments in Canada.

**Subsidiaries:**

McCrory Corporation
Gault Brothers
J. J. Newberry Co.
T. G. & Y. Stores Co.

**Rapid Distribution Services, Inc.**

**Stock Exchange(s):** * New York, Cincinnati, Pacific * Company's debentures are publicly traded on these exchanges.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 1,240 | 1986 | 1,438 |
| 1988 | 1,258 | 1985 | 723 |
| 1987 | 1,226 | | |

**Sales & Earnings**

| | Net Sales + (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1989 | $ 1,400,248 | $ (168,000) |
| 1988 | 1,489,415 | (121,700) |
| 1987 | 1,893,500 | (11,400) |
| 1986 | 994,726 | 86,000 |
| 1985 | 930,065 | (8,300) |

| | No. of Com. Shares | Earn. per Share ‡ # |
|---|---|---|
| 1989 | 1,461,364 | $ — |
| 1988 | 1,461,364 | — |
| 1987 | 1,461,364 | — |
| 1986 | 1,461,364 | 44.24 |
| 1985 | 1,461,364 | — |

(Loss)
x Restated to reflect inventory valuation.
+ Of continuing operations only; includes lease department sales.
‡ Including extraordinary losses of $4,003,000 in 1986 and $18,240,000 in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business (000's)**

| | 1989 | 1988 |
|---|---|---|
| Retail merch.: | | |
| McCrory Stores | $ 1,391,000 | $ 1,481,000 |
| Gault | 9,000 | 8,000 |
| Total | $ 1,400,000 | $ 1,489,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ — | — | — |
| 1988 | — | — | |
| 1987 | — | — | — |
| 1986 | 1.57 | — | — |
| 1985 | 2.60 | — | — |

**Income Account (000's)**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 1,400,248 | $ 1,489,415 |
| Other income (expense) | (43,991) | 60,474 |
| Total income | $ 1,356,257 | $ 1,549,889 |
| Cost of sales | 878,530 | 1,029,841 |
| Expenses | 429,595 | 474,056 |
| Depreciation & amortization | 40,282 | 43,041 |
| Interest expense | 165,539 | 153,865 |
| Loss bef. taxes | $ (157,689) | $ (150,914) |
| Income taxes (credit) | 3,923 | (24,312) |
| Loss - cont. oper. | $ (161,612) | $ (126,602) |
| Loss - discont. oper. | — | (765) |
| Cum. effect of accntg. change | (6,431) | 5,660 |
| Net Loss | $ (168,043) | $ (121,707) |

**Assets (000's)**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 20,280 | $ 13,442 |
| Marketable securities | 984 | 10,845 |
| Accts. receiv., net | 42,281 | 33,773 |
| *Inventories | 445,598 | 425,132 |
| Prepaid expenses | 24,746 | 14,654 |
| Current Assets | $ 533,889 | $ 497,846 |
| Invest. & advances | 291,888 | 374,926 |
| #Fixed assets | 267,029 | 306,548 |
| Other assets | 537,696 | 475,870 |
| Total Assets | $ 1,630,502 | $ 1,655,190 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 152,648 | $ 106,674 |
| Cap. lease oblig., curr. | 5,489 | 6,240 |
| Short-term debt | 89,944 | 62,459 |
| Accts. payable | 165,461 | 138,362 |
| Accruals | 24,708 | 106,858 |
| Reserves for store clos. | 26,770 | 34,285 |
| Due to E-II Holdings | 2,203 | — |
| Due to SCH Holding | — | 9,000 |
| Income taxes | 5,327 | 7,380 |
| Curr. Liabilities | $ 472,550 | $ 471,258 |
| Due to SCH Holding | 335,922 | 235,024 |
| Long-term debt | 807,576 | 752,383 |
| Cap. lease oblig. | 39,722 | 52,329 |
| Minority interest | 14,784 | 14,718 |
| Deferred inc. taxes | 53,094 | 11,830 |
| Other liabilities | 64,258 | 116,239 |
| +Preferred stock | 1 | 1 |
| +Common stock | 24 | 24 |
| Add. paid-in capital | 215,589 | 206,606 |
| Retained earnings (deficit) | (260,176) | (91,375) |
| Treasury stock | (110,000) | (110,000) |
| For. curr. trans. adjust | (2,842) | (3,847) |
| Total Liabilities & Shareholders' Equity | $ 1,630,502 | $ 1,655,190 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 3.14 | 3.50 |
| Working Capital | $ 61,339,000 | $ 26,588,000 |
| Current Ratio | 1.13 | 1.06 |
| Shareholders' Equity (Deficiency) | $ (157,404,000) | $ 1,409,000 |

## Reebok International Ltd.

150 Royall Street
Canton, Massachusetts 02021
(617) 821-2800

**Officers:** Paul B. Fireman, chairman & chief exec. officer; C. Joseph LaBonte, president & chief operating officer; Paul R. Duncan, sr. v.p. & chief financial officer; John B. Douglas, III, v.p. & gen. counsel; John H. Duerden, v.p. & pres-Reebok International Division; D. Dwight Harshbarger, sr. v.p.-human resources; Frank J. O'Connell, sr. v.p. & pres.-Reebok Brands (North America); Robert E. Slattery, v.p. & pres.-The Rockport Company; Angel R. Martinez, v.p.-new business development; Richard L. Bryant, treasurer.

**Directors:** Paul B. Fireman, chairman; C. Joseph LaBonte, Frank A. Farrant, William M. Marcus, Geoffrey Nunes, John A. Queich, R. Stephen Rubin, Linda J. Wachner, Richard G. Lesser.

**Business Activities:** Operates nine factory outlet-type retail stores which sell footwear, apparel and accessories bearing the Reebok, Weebok, Metaphors, Rockport, Ellesse and Avia trademarks. Designs, develops and markets athletic footwear, casual and dress comfort shoes, walking shoes, and sportswear and accessories.

**Divisions and Subsidiaries:**

Footwear Division
Canton, Massachusetts

Apparel Division
Canton, Massachusetts

The Rockport Company
Marlboro, Massachusetts

International Division
Bolton, England

Weebok Division
Markets non-athletic shoes for infants and children under the Weebok trademark.

Reebok Canada, Inc.
Distributes the Company's products in Canada.

Avia Group International, Inc.
Designs, develops and markets athletic footwear, casual and walking shoes, and hiking boots.

Ellesse U.S.A., Inc.
Designs, develops and markets fashionable sportswear and athletic footwear.

**Transfer Agent(s):**

The First National Bank of Boston
Shareholder Services Division
P.O. Box 1865
Boston, Massachusetts 02105

**Stock Exchange(s):** New York

**Ticker Symbol:** RBK

**Number of Stores:** (at fiscal year end)

| | |
|---|---|
| 1988 | 9 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 1,785,935,000 | $ 137,002,000 |
| 1987 | 1,389,196,000 | 165,200,000 |
| 1986 | 919,401,000 | 132,134,000 |
| 1985 | 306,969,000 | 38,962,000 |
| 1984 | 66,022,000 | 6,145,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 113,767,000 | $ 1.20 |
| 1987 | 111,234,000 | 1.49 |
| 1986 | 103,784,000 | 1.27 |
| 1985 | 85,896,000 | 0.45 |
| 1984 | 77,706,000 | 0.08 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.30 | — | — |
| 1987 | 0.20 | — | — |
| 1986 | — | — | 3-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 690,702,000 | $ 6.07 |
| 1987 | 584,763,000 | 5.26 |
| 1986 | 297,601,000 | 2.87 |
| 1985 | 88,735,000 | 1.03 |
| 1984 | 6,832,000 | 0.09 |

‡ Based on the wieghted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account ***
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 1,785,935 | $ 1,389,196 |
| Other income | 5,282 | 10,240 |
| Total income | $ 1,791,217 | $ 1,399,436 |
| Cost of sales | 1,122,226 | 808,991 |
| Selling expenses | 260,891 | 164,896 |
| Gen. & adm. expenses | 149,195 | 102,191 |
| Amort. of intangibles | 14,216 | 12,453 |
| Interest expense | 14,129 | 4,771 |
| Income before taxes | $ 230,560 | $ 306,134 |
| Income taxes | 93,558 | 140,934 |
| Net Income | $ 137,002 | $ 165,200 |

* Included in Costs and Expenses, Depreciation and Amortization: $8,850,000 in 1988 and $5,777,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 99,349 | $ 60,167 |
| Accts. receiv., net | 276,204 | 204,676 |
| Deferred inc. taxes | 26,293 | 19,534 |
| *Inventories | 301,920 | 240,898 |
| Prepaid expenses | 9,905 | 10,821 |
| Current Assets | $ 713,671 | $ 536,096 |
| #Fixed assets | 74,127 | 64,509 |
| Other assets | 11,145 | 4,688 |
| Intangibles | 264,506 | 251,490 |
| Restricted cash | — | 11,583 |
| Total Assets | $ 1,063,449 | $ 868,366 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 75,208 | $ 34,626 |
| Long-term debt, curr. | 404 | 799 |
| Interest-bearing accts. pay. | 31,878 | 27,255 |
| Accts. payable and accruals | 105,247 | 117,817 |
| Income taxes | 34,634 | 38,272 |
| Dividends payable | 8,490 | — |
| Curr. Liabilities | $ 255,861 | $ 268,369 |
| Long-term debt | 111,260 | 10,570 |
| Cap. lease oblig. | 1,402 | 2,042 |
| Deferred inc. taxes | 4,224 | 2,622 |
| +Common stock | 1,129 | 1,125 |
| Add. paid-in capital | 266,564 | 263,877 |
| Retained earnings | 424,002 | 320,886 |
| Unearned comp. | (2,808) | (5,371) |
| For. curr. trans. adjust. | 1,815 | 4,246 |
| Total Liabilities & Shareholders' Equity | $ 1,063,449 | $ 868,366 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income before Taxes to Sales | 12.91 | 22.04 |
| %Net Income to Sales | 7.67 | 11.89 |
| %Net Income to Equity | 19.84 | 28.25 |
| Sales to Inventories | 5.92 | 5.77 |
| Debt to Equity | 0.27 | 0.12 |
| Working Capital | $ 437,810,000 | $ 267,727,000 |
| Current Ratio | 2.79 | 2.00 |
| Shareholders' Equity | $ 690,702,000 | $ 584,763,000 |

## Reitmans (Canada) Limited

250 Sauve Street West
Montreal, Quebec H3L 1Z2, Canada
(514) 384-1140

**Officers:** Jack Reitman, chairman; Stephen F. Reitman, exec. v.p.; Jeremy H. Reitman, president; Cyril Reitman, vice president; Bruno Eller, v.p.-store planning; Jacques Rousseau, v.p. & treasurer; Philip Sacks, v.p.-merchandising; Allan Salomon, v.p.-real estate & secretary; Louis Waxman, v.p.-Ontario operations; Jay Weiss, v.p.-information systems; Jacques Rheault, v.p.-store operations; Nadia Cerantola, v.p.-merchandising; Diane Fichaud, v.p.-human resources; Gary Hayes, v.p.-merchandising; Allen F. Rubin, v.p.-purchasing & distribution; Eric Williams, v.p & comptroller; Robert S. Vineberg, asst. secretary.

**Directors:** Jack Reitman, Jeremy H. Reitman, Cyril Reitman, Philip Sacks, Stephen Reitman, Robert S. Vineberg, H. Jonathan Birks.

**Business Activities:** Operates 580 women's clothing stores across Canada under the names Reitmans, Smart Set, Sweet Sixteen, Un-Deux-Trois, Chablis, and Kookai. Also operates 180 Worths women's apparel stores in 20 states in the U.S.

**Divisions and Subsidiaries:**

Sweet Sixteen
Reitmans (Canada) Inc.
Reitmans (U.S.) Corp.
Smart Set Fashions, Limited
Un-Deux-Trois

Worth Stores Corp.
8515 Page Avenue
St. Louis, Missouri 63114
(314) 426-6686

**Transfer Agent(s):**

Montreal Trust Company
Montreal, Toronto, Halifax, Calgary, Vancouver.

**Stock Exchange(s):** Toronto, Montreal

**Ticker Symbol:** RET

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 760 | 1986 | 698 |
| 1988 | 771 | 1985 | 666 |
| 1987 | 743 | | |

**Sales & Earnings ***

| | Net Sales | Net Income # |
|---|---|---|
| 1989 | $ 353,577,000 | $ 8,103,000 |
| 1988 | 351,127,000 | 9,444,000 |
| 1987 | 349,346,000 | 14,910,000 |
| 1986 | 335,765,000 | 20,262,000 |
| 1985 | 293,811,239 | 13,666,490 |

| | No. of Com. Shares + | Earn. per Share #† |
|---|---|---|
| 1989 | 9,314,482 | $ 0.87 |
| 1988 | 9,314,482 | 1.01 |
| 1987 | 9,314,482 | 1.60 |
| 1986 | 9,275,482 | 2.18 |
| 1985 | 9,275,482 | 1.47 |

* In Canadian dollars.
# Including extraordinary gain of $668,000 ($0.08 per share) in 1988.
+ Based on common shares and Class A shares outstanding.
† Based on the weighted average number of Class A and common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.52 | — | — |
| 1988 | 0.52 | — | — |
| 1987 | 0.52 | — | — |
| 1986 | 0.52 | — | — |
| 1985 | 0.52 | — | — |

## Reitmans (Canada) Limited

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 138,319,000 | $ 14.85 |
| 1988 | 136,927,000 | 14.70 |
| 1987 | 133,001,000 | 14.28 |
| 1986 | 124,138,000 | 13.38 |
| 1985 | 106,322,000 | 11.46 |

‡ Based on Class A and common shares outstanding.

### Income Account

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 353,577,000 | $ 351,127,000 |
| Cost of sales & expenses | 342,154,000 | 337,200,000 |
| Other income | (7,125,000) | (6,580,000) |
| Depreciation | 7,792,000 | 7,870,000 |
| Interest on long-term debt | 529,000 | 504,000 |
| Debenture interest | 917,000 | 470,000 |
| Amort. of goodwill | 626,000 | 783,000 |
| Income before taxes | $ 8,684,000 | $ 10,880,000 |
| Income taxes | 581,000 | 1,436,000 |
| Net Income | $ 8,103,000 | $ 9,444,000 |
| Extraord. gain | — | 668,000 |
| Net Income & extraord. gain | $ 8,103,000 | $ 10,112,000 |

### Assets

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 17,878,000 | $ 16,778,000 |
| Accts. receiv., net | 2,405,000 | 1,949,000 |
| *Inventories | 30,164,000 | 28,662,000 |
| Prepaid expenses | 3,440,000 | 3,061,000 |
| Income taxes recoverable | 705,000 | 4,426,000 |
| Current Assets | $ 54,592,000 | $ 54,876,000 |
| Marketable securities | 71,202,000 | 64,940,000 |
| #Fixed assets | 41,293,000 | 44,584,000 |
| Other assets | 7,600,000 | 9,022,000 |
| Total Assets | $ 174,687,000 | $ 173,422,000 |

### Liabilities

| | | |
|---|---|---|
| Accts. payable & accruals | $ 29,757,000 | $ 29,484,000 |
| Long-term debt, curr. | 651,000 | 701,000 |
| Curr. Liabilities | $ 30,408,000 | $ 30,185,000 |
| Long-term debt | 5,207,000 | 6,310,000 |
| Deferred inc. taxes | 753,000 | — |
| +Class A stock | 2,049,000 | 2,049,000 |
| +Common stock | 482,000 | 482,000 |
| For. curr. trans. adjust. | (73,000) | 1,795,000 |
| Retained earnings | 135,861,000 | 132,601,000 |
| Total Liabilities & Shareholders' Equity | $ 174,687,000 | $ 173,422,000 |

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.46 | 3.10 |
| %Net Income to Sales | 2.29 | 2.69 |
| %Net Income to Equity | 5.86 | 6.90 |
| Sales to Inventories | 11.72 | 12.25 |
| Debt to Equity | 0.04 | 0.05 |
| Working Capital | $ 24,184,000 | $ 24,691,000 |
| Current Ratio | 1.80 | 1.82 |
| Shareholders' Equity | $ 138,319,000 | $ 136,927,000 |

## Rhodes, Inc.

(Went private via a leveraged buyout on September 20, 1988.)

4370 Peachtree Road, N.E.
Atlanta, Georgia 30319
(404) 264-4600

**Officers:** Holcombe T. Green, Jr., chairman of the board; Irwin L. Lowenstein, president & chief executive officer; Joel H. Dugan, sr. v.p.-finance & administration; William C. Morris, sr. v.p.-marketing & merchandising; Joel T. Lanham, sr. v.p.-field operations; George G. Harris, sr. v.p.-field operations; Jack A. Hurst, sr. v.p.-training & human resources; Richard A. Winans, v.p.-credit; Barbara Snow, controller.

**Directors:** Holcombe T. Green, Jr., chairman of the board; Irwin L. Lowenstein, James R. Kuse, C.V. Nalley, III.

**Business Activities:** Operates 68 home furnishings retail stores in nine southeastern and south central states.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 68 | 1986 | 77 |
| 1988 | 89 | 1985 | 70 |
| 1987 | 83 | | |

NOTE: On September 20, 1988, Rhodes Acquisition Corp., a wholly-owned subsidiary of RHD Holdings Corp. was merged with and into Rhodes, Inc. in which merger, Rhodes was the surviving corporation. As a result of the merger, Rhodes became a wholly-owned subsidiary of RHD Holdings.

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1989* | $ 108,993,000 | $ (4,208,000) |
| 1988 | 239,547,000 | 11,919,000 |
| 1987 | 234,512,000 | 12,044,000 |
| 1986 | 197,331,000 | 12,414,000 |
| 1985 | 166,923,000 | 9,846,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989* | 1 | $ — |
| 1988 | 8,556,000 | 1.39 |
| 1987 | 8,588,000 | 1.40 |
| 1986 | 7,706,000 | 1.61 |
| 1985 | 7,742,000 | 1.27 |

(Loss)
* 5 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.10 | — | — |
| 1988 | 0.38 | — | |
| 1987 | 0.34 | — | — |
| 1986 | 0.28 | — | — |
| 1985 | 0.21 | — | — |

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 5,792,000 | $ — |
| 1988 | 109,569,000 | 12.81 |
| 1987 | 109,771,000 | 12.78 |
| 1986 | 71,074,000 | 9.22 |
| 1985 | 61,774,000 | 7.98 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Income Account * (000's)

| Year ended | 12/28/89 | 12/29/88 |
|---|---|---|
| Net sales | $ 108,993 | $ 239,547 |
| Cost of sales | 60,138 | 136,478 |
| Fin. charges & commissions | (14,159) | (34,168) |
| Expenses | 48,156 | 104,877 |
| Interest expense | 15,006 | 7,742 |
| Amort. of intangibles | 5,294 | — |
| Other income | (92) | (736) |
| Prov. for credit losses | 510 | 9,003 |
| Inc. (loss) bef. taxes | $ (5,860) | $ 16,351 |
| Income taxes | 1,652 | 4,432 |
| Net Income (Loss) | $ (4,208) | $ 11,919 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,908,000 in 1989 and $5,866,000 in 1988.

### Assets (000's)

| As of | 12/28/89 | 12/29/88 |
|---|---|---|
| Cash | $ 1,078 | $ 1,936 |
| Install. receivables | 154,141 | 165,475 |
| *Inventories | 39,293 | 31,461 |
| Prepaid expenses | 3,534 | 4,118 |
| Current Assets | $ 198,046 | $ 202,990 |
| #Fixed assets | 51,397 | 45,120 |
| Capitalized real estate leases | 11,608 | 12,357 |
| Intangibles & other assets | 84,946 | 1,079 |
| Total Assets | $ 345,997 | $ 261,546 |

### Liabilities (000's)

| | | |
|---|---|---|
| Commercial paper | $ 137,500 | $ 17,842 |
| Notes payable | 25,156 | 25,200 |
| Long-term debt, curr. | 5,704 | 11,295 |
| Accts. payable | 18,907 | 10,869 |
| Accrued sales taxes | 5,394 | 5,887 |
| Accruals | 18,578 | 10,136 |
| Income taxes | 1,519 | 3,019 |
| Deferred gain | 318 | 318 |
| Deferred income taxes | 4,757 | 12,335 |
| Curr. Liabilities | $ 217,833 | $ 96,901 |
| Deferred income taxes | 6,051 | 12,787 |
| Long-term debt | 95,385 | 21,172 |
| Oblig. under cap. leases | 16,322 | 16,185 |
| Deferred gain | 4,614 | 4,932 |
| + Common stock | 1 | 9,101 |
| Add. paid-in capital | 9,999 | 42,532 |
| Retained earnings (deficit) | (4,208) | 72,100 |
| Treasury stock | — | (14,164) |
| Total Liabilities & Shareholders' Equity | $ 345,997 | $ 261,546 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 6.83 |
| %Net Income to Sales | — | 4.98 |
| %Net Income to Equity | — | 10.88 |
| Sales to Inventories | 2.77 | 7.61 |
| Debt to Equity | 21.80 | 0.64 |
| Working Capital | — | $ 106,089,000 |
| Current Ratio | — | 2.09 |
| Shareholders' Equity | $ 5,792,000 | $ 109,569,000 |

## Rite Aid Corporation

Railroad Avenue and Trindle Road
Shiremanstown, Pennsylvania 17011
(717) 761-2633

Mailing address:
P.O. Box 3165
Harrisburg, Pennsylvania 17105

**Officers:** Alex Grass, chairman of the board & chief exec. officer; Martin Grass, president & chief operating officer; Timothy Noonan, sr. v.p.-drugstore operations; Alex Schamroth, sr. v.p.-pharmacy operations; Franklin C. Brown, sr. v.p.-chief legal counsel; Frank Bergonzi, sr. v.p.-finance; Robert Souder, sr. v.p.-personnel; Ronald A. Miller, sr. v.p.-distribution; Joe Phillips, sr. v.p.-management information systems; Robert F. Brown, v.p. & treasurer; Charles Slane, v.p. & secretary; Gerald P. Cardinale, v.p.-merchandising; David L. Dalton, v.p.-professional relations; Charles R. Kibler, v.p.-drugstore operations; W. Michael Knievel, v.p.-corp. security; James E. Krahulec, v.p.-government & trade relations; Kevin J. Mann, v.p.-purchasing; E. Anthony Montini, v.p.-purchasing administration; Michael F. Morris, v.p.-store planning; Philip Markovitz, v.p.-real estate; Thomas M. Rouen, v.p.-advertising; George E. Fegan, v.p. & retail controller; I. Lawrence Gelman, asst. v.p. & asst. secretary; James O. Lott, Jr., v.p.-risk management; Eric S. Sorkin, v.p.-pharmacy services; John McNamara, asst. v.p.-Encore Books; P. Douglas Stone, asst. v.p.-pharmacy personnel; Barry Criss, asst. v.p.-store planning; Daniel E. Gerber, asst. v.p.-Rack Rite; John R. Hartman, asst. v.p.-distribution; Frederick H. Wendte, asst. v.p.-pharmacy operations; Peter Poses, asst. v.p.-real estate; Michael A. Shelansky, asst. v.p.-merchandise accounting; Richard J. Varmecky, asst. v.p. & corp. controller; Brian D. Weese, asst. v.p.-Encore Books; Franklin J. Cunjak, asst. treasurer; Carl Cain, asst. v.p.-drugstore operations; Raymond B. McKeeby, asst. v.p.-drugstore operations; Suzanne Mead, asst. v.p.-corp. communications; Gregg Montgomery, asst. v.p.-pharmacy operations; John R. Mullen, asst. v.p.-drugstore operations.

**Directors:** Alex Grass, chairman; Franklin C. Brown, Martin Grass, Leonard N. Stern, Philip Neivert, Henry Taub, Gerald Tsai, Jr., Richard J. Kogan, Preston Robert Tisch.

**Business Activities:** Owns and operates a chain of 2,270 discount drug stores and health and beauty aid stores in 22 eastern states and the District of Columbia. These stores are called Rite Aid, Drug Palace, and Thrift-O. In addition, the Company operates ADAP, Inc., a chain of 70 discount automotive parts stores; and Encore Books, a chain of 47 discount book stores in six mid-Atlantic states. Concord Custom Cleaners operates 153 dry cleaning outlets in 10 southeastern and midwestern states. Medical services involve specialized blood banking operations.

**Divisions and Subsidiaries:**

Encore Books
424 Railroad Avenue
Shiremanstown, Pennsylvania 17011
(717) 731-4702

Sera-Tec Biologicals
525 Milltown Road
North Brunswick, New Jersey 08902
(201) 846-6800

ADAP
600 Bodwell Street
Avon, Massachusetts 02322
(508) 587-8400
Shareholder services.

Concord Custom Cleaners
P.O. Box 1000
East Kentucky University Bypass
Richmond, Kentucky 40475
(606) 623-2550
Operates dry cleaners in 10 states under the names "Big B," "Superior" and "Key One Hour Cleaners."

**Transfer Agent(s):**

Harris Trust Company of New York
77 Water Stroet
New York, New York 10005

Registrar and Transfer Co.
Jersey City, New Jersey 07302

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** RAD

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 2,387 | 1986 | 1,485 |
| 1988 | 2,177 | 1985 | 1,351 |
| 1987 | 1,693 | | |

° Continuing operations only.

**Sales & Earnings**

| | Net sales + ($000's) | Net Income ($000's) |
|---|---|---|
| 1989° | $ 2,868,297 | $ 95,210 |
| 1988 | 2,486,319 | 144,553 |
| 1987 | 1,756,706 | 77,984 |
| 1986 | 1,564,119 | 67,924 |
| 1985 | 1,360,469 | 69,936 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989° | 41,452,000 | $ 2.30 |
| 1988 | 41,330,000 | 3.50 |
| 1987 | 41,281,000 | 1.89 |
| 1986 | 41,235,000 | 1.52 |
| 1985 | 41,279,000 | 1.69 |

° 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Retail drug | $ 2,729,325,000 | $ 2,381,022,000 |
| Specialty retailing | 113,158,000 | 82,556,000 |
| Medical services | 25,814,000 | 22,741,000 |
| Total | $ 2,868,297,000 | $ 2,486,319,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.760 | — | — |
| 1988 | 0.680 | — | — |
| 1987 | 0.600 | — | — |
| 1986 | 0.520 | — | — |
| 1985 | 0.433 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 636,184,000 | $ 15.35 |
| 1988 | 571,014,000 | 13.81 |
| 1987 | 452,544,000 | 10.96 |
| 1986 | 397,993,000 | 9.65 |
| 1985 | 353,665,000 | 8.58 |

**Income Account °**
($000's)

| Year ended | 3/4/89 | 2/27/88 |
|---|---|---|
| Net sales | $ 2,868,297 | $ 2,486,319 |
| Cost of sales | 2,060,074 | 1,791,054 |
| Expenses | 613,590 | 506,537 |
| Interest expense | 43,375 | 34,545 |
| Income before taxes | $ 151,258 | $ 154,183 |
| Income taxes | 59,142 | 62,800 |
| Eq. in earn. of 50% or less owned cos. | (3,094) | (2,399) |
| Inc.-cont. oper. | $ 95,210 | $ 93,782 |
| Loss-discont. oper. | — | 47,059 |
| Cum. effect of accntg. change | — | 3,712 |
| Net Income | $ 95,210 | $ 144,553 |

° Included in Costs and Expenses, Depreciation and Amortization: $76,810,000 in 1989 and $61,019,000 in 1988.

**Assets**
($000's)

| As of | 3/4/89 | 2/27/88 |
|---|---|---|
| Cash & short-term invest. | $ 15,339 | $ 19,811 |
| Accts. & notes receiv. net | 151,737 | 116,874 |
| °Inventories | 596,546 | 514,893 |
| Prepaid expenses & other assets | 12,754 | 15,005 |
| Current Assets | $ 776,376 | $ 666,583 |
| Investments & advances | 20,845 | 18,081 |
| #Fixed assets | 463,079 | 401,643 |
| Other assets | 21,225 | 15,801 |
| Intangibles | 135,995 | 122,136 |
| Total Assets | $ 1,417,520 | $ 1,224,244 |

**Liabilities**
($000's)

| | | |
|---|---|---|
| Short-term debt | $ 301,000 | $ 177,350 |
| Long-term debt, curr. | 3,676 | 3,766 |
| Accts. payable | 130,643 | 138,810 |
| Accruals | 9,260 | 23,053 |
| Income taxes | 25,391 | 6,542 |
| Other taxes | 9,072 | 7,932 |
| Curr. Liabilities | $ 479,042 | $ 357,453 |
| Long-term debt | 228,260 | 227,153 |
| Deferred income taxes | 74,034 | 68,624 |
| +Common stock | 42,548 | 42,451 |
| Add. paid-in capital | 3,481 | 2,140 |
| Retained earnings | 610,941 | 547,209 |
| Treasury stock | (20,786) | (20,786) |
| Total Liabilities & Shareholders Equity | $ 1,417,520 | $ 1,224,244 |

° At lower of cost or market. Retail inventories at LIFO; all others at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.27 | — |
| %Net Income to Sales | 3.32 | — |
| %Net Income to Equity | 14.97 | 25.32 |
| Sales to Inventories | 4.81 | 4.83 |
| Debt to Equity | 0.84 | 0.71 |
| Working Capital | $ 297,334,000 | $ 309,130,000 |
| Current Ratio | 1.62 | 1.86 |
| Shareholders' Equity | $ 636,184,000 | $ 571,014,000 |

## Ross Stores, Inc.

8333 Central Avenue
P.O. Box 728
Newark, California 94560-0728
(415) 790-4400

**Officers:** Stuart G. Moldaw, chairman of the board; Norman A. Ferber, president & chief executive officer; Greggory L. Baldwin, exec. v.p.-operations; Alan R. Schlesinger, exec. v.p.-merchandising & marketing; Earl T. Benson, sr. v.p., chief financial officer & secretary; James S. Jacobs, sr. v.p.-store operations; Steven F. Joyce, sr. v.p.-human resources; Louis S. Virag, sr. v.p. & general merchandise manager; David Goldman, v.p.-marketing; Peter Hart, sr. v.p.-mgmt. info. systems; David Morrison, v.p.-distribution; James S. Fassio, v.p.-real estate; Michael J. Finn, v.p. & divisional merchandise manager; Gary Kaufman, v.p. & divisional merchandise manager; Lynn E. Caples, v.p. & divisional merchandise manager; Abe Minde, v.p. & divisional merchandise manager; Michael E. Signorelli, v.p. & divisional merchandise manager; David Whitney, v.p.-loss prevention; Janet A. Kanios, v.p.-merchandise planning & administration.

**Directors:** Stuart G. Moldaw, chairman; Franklin P. Johnson, Jr., George P. Orban, Donald H. Seiler, Norman A. Ferber, Donald G. Fisher, Donna L. Weaver, Philip Schlein, Alan R. Schlesinger.

## Ross Stores, Inc.

**Business Activities:** Operates a chain of 140 off-price retail stores offering brand-name fashion apparel, and shoes for the entire family, in 15 states located primarily in the South, Southwest, and West.

**Transfer Agent(s):**

Bank of America
San Francisco, California

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** ROST (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 140 | 1986 | 107 |
| 1988 | 131 | 1985 | 66 |
| 1987 | 121 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1989 | $ 634,247,000 | $ 26,250,000 |
| 1988 | 575,990,000 | 17,125,000 |
| 1987 | 534,413,000 | (41,449,000) |
| 1986 | 375,945,000 | 7,055,000 |
| 1985x | 210,509,000 | 6,668,000 |

| | No. of Com. Shares ‡ | Earn. per share † ‡ |
|---|---|---|
| 1989 | 27,123,000 | $ 0.97 |
| 1988 | 28,247,000 | 0.61 |
| 1987 | 25,744,000 | — |
| 1986 | 23,793,000 | 0.30 |
| 1985x | 18,836,000 | 0.35 |

(Loss)
x 53 weeks.
† Including extraordinary gain of $5,581,000 ($0.20 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |
| 1987 | — | — | — |
| 1986 | — | — | 3-for-2 |
| 1985 | — | — | 2-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 114,286,000 | $ 4.21 |
| 1988 | 118,570,000 | 4.20 |
| 1987 | 84,945,000 | 3.30 |
| 1986 | 126,346,000 | 5.31 |
| 1985 | 33,999,000 + | 1.81 |

+ After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

**Income Account**
(000's)

| Year ended | 1/29/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 634,247 | $ 575,990 |
| Sales of leased depts. | (7,838) | (11,571) |
| Other income | 780 | 1,163 |
| Total income | $ 627,189 | $ 565,582 |
| Cost of sales | 438,862 | 408,722 |
| Expenses | 136,977 | 122,153 |
| Depreciation & amortization | 10,418 | 8,679 |
| Interest expense | 3,960 | 7,103 |
| Income bef. taxes | $ 36,972 | $ 18,925 |
| Income taxes | 10,722 | 7,381 |
| Net Income | $ 26,250 | $ 11,544 |
| Extraord. gain | — | 5,581 |
| Net Income & extraord. gain | $ 26,250 | $ 17,125 |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & short-term invest. | $ 47,046 | $ 21,819 |
| Accts. receiv., net | 3,337 | 3,236 |
| *Inventories | 117,200 | 109,854 |
| Def. store opening exp. | 737 | 1,382 |
| Prepaid expenses | 4,167 | 4,242 |
| Current Assets | $ 172,487 | $ 140,533 |
| #Fixed assets | 71,948 | 73,824 |
| Lease rights | 4,018 | 4,464 |
| Other assets | 7,627 | 7,125 |
| Intangibles | 4,646 | 4,800 |
| Total Assets | $ 260,726 | $ 230,746 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 10,000 | $ — |
| Accts. payable | 61,173 | 45,373 |
| Accruals | 20,954 | 12,095 |
| Accrued payroll | 7,182 | 4,054 |
| Income taxes | 4,388 | 375 |
| Curr. Liabilities | $ 103,697 | $ 61,897 |
| Long-term / bt | 35,000 | 45,000 |
| Deferred inc. taxes | 7,743 | 5,279 |
| +Common stock | 253 | 285 |
| Add. paid-in capital | 102,137 | 128,646 |
| Retained earnings (def.) | 11,896 | (10,361) |
| Total Liabilities & Shareholders' Equity | $ 260,726 | $ 230,746 |

* At lower of cost or market determined under the unit cost method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.90 | 3.35 |
| %Net Income to Sales | 4.19 | 2.05 |
| %Net Income to Equity | 22.97 | 9.74 |
| Sales to Inventories | 5.34 | 5.24 |
| Debt to equity | 0.39 | 0.38 |
| Working Capital | $ 78,636,000 | $ 78,636,000 |
| Current Ratio | 2.27 | 2.27 |
| Shareholders' Equity | $ 114,286,000 | $ 118,570,000 |

## Ruddick Corporation

2000 Two First Union Center
Charlotte, North Carolina 28282
(704) 372-5404

**Officers:** R. Stuart Dickson, chairman of the board; Alan T. Dickson, president; Richard N. Brigden, v.p.-finance; James D. Miller, treasurer; Donald B. Williford, asst. treasurer & secretary; James O. Stephens, asst. secretary; Mickey F. Frye, asst. treasurer.

**Directors:** R. Stuart Dickson, chairman; Alan T. Dickson, Thomas M. Belk, Hugh L. McColl, Jr., James E. S. Hynes, Roddey Dowd, Jord H. Jordan, Jr., John G. Hutchens, E. C. Wall, Jr..

**Business Activities:** A holding company, operating 123 supermarkets in North and South Carolina, Tennessee and Virginia through its subsidiary, Harris-Teeter, Inc. The company also controls various manufacturing and distribution operations, and is involved in venture capital investments.

**Subsidiaries:**

Harris Teeter, Inc.
P.O. Box 33129
Charlotte, North Carolina 28233
(704) 567-3000
Operates 123 supermarkets in North and South Carolina, Virginia and Tennessee.

American and Efird, Inc.
Mount Holly, North Carolina
(704) 827-4311
Primarily a manufacturer of industrial sewing thread and also produces sales yarn. A & E operates 11 plants in North Carolina.

Jordan Graphics, Inc.
P.O. Box 668306
Charlotte, North Carolina 28266
(704) 394-2121
Producer and distributor of a broad line of business forms.

Ruddick Investment Company (RIC)
2000 Two First Union Center
Charlotte, North Carolina 28282
(704) 333-7144
Venture capital investments.

**Transfer Agent(s):**

Wachovia Bank & Trust Co., N.A.
Winston-Salem, North Carolina

**Stock Exchange(s):** American

**Ticker Symbol:** RDK

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 123 | 1985 | 109 |
| 1987 | 113 | 1984 | 128 |
| 1986 | 112 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1988* | $ 1,103,867,000 | $ 18,379,000 |
| 1987 | 971,353,000 | 14,365,000 |
| 1986 | 883,641,000 | 13,425,000 |
| 1985 | 881,841,000 | 12,559,000 |
| 1984 | 730,060,000 | 13,221,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 9,736,725 | $ 1.89 |
| 1987 | 9,590,596 | 1.50 |
| 1986 | 9,596,279 | 1.40 |
| 1985 | 9,645,114 | 1.30 |
| 1984 | 8,845,114 | 1.49 |

* 53 weeks.
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| American & Efird Mills | $ 158,382 | $ 124,112 |
| Harris-Teeter Super Markets | 894,035 | 798,843 |
| Jordan Graphics, Inc. | 51,450 | 48,398 |
| Total | $ 1,103,867 | $ 971,353 |

**Common Stock**

| | Cash Dividend‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.57 | — | — |
| 1987 | 0.45 | — | |
| 1986 | 0.42 | — | 2-for-1 |
| 1985 | 0.38 | — | — |
| 1984 | 0.43 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share # |
|---|---|---|
| 1988 | $ 143,232,000 | $ 14.71 |
| 1987 | 130,260,000 | 13.58 |
| 1986 | 117,597,000 | 12.25 |
| 1985 | 108,165,000 | 11.21 |
| 1984 | 99,277,000 | 11.22 |

‡ After allowing for preference stock at par values.
# Based on the average number of shares outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended | 10/2/88 (53 weeks) | 9/27/87 |
|---|---|---|
| Net sales | $ 1,103,867,000 | $ 971,353,000 |
| Cost of sales | 860,697,000 | 761,524,000 |
| Expenses | 200,947,000 | 174,845,000 |
| Earn. of unconsol. subsid. | 567,000 | (183,000) |
| Interest expense | 8,376,000 | 5,231,000 |
| Other expense | 2,696,000 | 2,424,000 |
| Income before taxes | $ 30,584,000 | $ 27,512,000 |
| Income taxes | 12,205,000 | 13,147,000 |
| Net Income | $ 18,379,000 | $ 14,365,000 |

* Included in Costs and Expenses, Depreciation: $20,182,000 in 1988 and $17,647,000 in 1987.

**Assets**

| As of | 10/2/88 | 9/27/87 |
|---|---|---|
| Cash | $ 10,161,000 | $ 10,389,000 |
| Accts. receiv., net | 35,086,000 | 33,296,000 |
| *Inventories | 117,518,000 | 90,492,000 |
| Other assets | 6,066,000 | 6,653,000 |
| Current Assets | $ 168,831,000 | $ 140,830,000 |
| #Fixed assets | 195,079,000 | 139,704,000 |
| Investments & other assets | 38,399,000 | 23,487,000 |
| Total Assets | $ 402,309,000 | $ 304,021,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,515,000 | $ 3,107,000 |
| Dividends payable | 3,112,000 | 1,976,000 |
| Accts. payable | 75,465,000 | 56,755,000 |
| Income taxes | 2,284,000 | 1,884,000 |
| Accruals | 28,424,000 | 22,298,000 |
| Curr. Liabilities | $ 121,800,000 | $ 86,020,000 |
| Long-term debt | 100,569,000 | 59,546,000 |
| Deferred inc. taxes | 35,736,000 | 27,193,000 |
| +Preference stock | 972,000 | 1,002,000 |
| ++Common stock | 9,348,000 | 9,336,000 |
| Add. paid-in capital | 15,734,000 | 15,716,000 |
| Retained earnings | 118,150,000 | 105,208,000 |
| Total Liabilities & Shareholders' Equity | $ 402,309,000 | $ 304,021,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.
++ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.77 | 2.83 |
| %Net Income to Sales | 1.66 | 1.48 |
| %Net Income to Equity | 12.75 | 10.94 |
| Sales to Inventories | 9.39 | 10.73 |
| Debt to Equity | 0.71 | 0.48 |
| Working Capital | $ 47,031,000 | $ 54,810,000 |
| Current Ratio | 1.39 | 1.64 |
| Shareholders' Equity | $ 144,204,000 | $ 131,262,000 |

## S.E. Nichols Inc.

275 Seventh Avenue
New York, New York 10001
(212) 206-9400

**Officers:** Manfred Brecker, chairman & chief exec. officer; Kenneth A. Davis, president & chief operating officer; Erich Metzger, exec. v.p. & secretary; James E. Herlihy, sr. v.p.-finance & chief financial officer; Edwin Denenberg, sr. v.p.-merchandising; Marcie B. Davis, v.p. & treasurer; Lee Lobelson, v.p.-administration; H. Joseph Klein, v.p.-security, human resources; Joseph Keller, Jr., sr. v.p.-store operations; Patrick E. Starkey, sr. v.p.-finance and chief financial officer; Philip J. Frank, v.p.-advertising; Michael Stock, v.p.-information systems; Warren Wolfersberger, pres.-Schreiber Division; Anthony Dilizio, corp. controller.

**Directors:** Manfred Brecker, chairman; Erich Metzger, Kenneth Davis, Melvin Katz, Howard L. Blum, Jr., Edwin Denenberg.

**Business Activities:** Operates a chain of self-service discount department stores under the name "Nichols" in New York, Pennsylvania, New Jersey, Maryland, Virginia, Delaware, West Virginia, North Carolina and Ohio. Operates automotive service centers, licensed pharmacies, and do-it-yourself home improvement centers in most stores.

**Division:**

F.R. Schreiber Company
Lititz, Pennsylvania
Distributes hardware, health and beauty aids, housewares, and other related products.

**Transfer Agent(s):**

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

**Stock Exchange(s):** American

**Ticker Symbol:** NCL

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 34 | 1985 | 44 |
| 1987 | 43 | 1984 | 42 |
| 1986 | 45 | | |

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1989 | $ 326,378,000 | $ (3,452,000) |
| 1988 | 340,145,000 | (1,940,000) |
| 1987 | 318,615,000 | 1,018,000 |
| 1986 | 309,969,000 | N.A. |
| 1985 | 294,110,000 | N.A. |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1989 | 4,682,268 | $ — |
| 1988 | 4,674,583 | — |
| 1987 | 4,665,381 | 0.22 |
| 1986 | 4,657,301 | — |
| 1985 | 4,647,661 | — |

(Loss)
N.A. - Not Available.
† Based on the weighted average number of shares outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 42,908,000 | $ 9.16 |
| 1988 | 46,271,000 | 9.90 |
| 1987 | 48,182,000 | 10.33 |
| 1986 | 47,164,000 | 10.13 |

‡ Based on the weighted average number of shares outstanding.

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Revenues | $ 326,378,000 | $ 340,145,000 |
| Cost of sales | 225,389,000 | 237,139,000 |
| Expenses | 97,975,000 | 99,501,000 |
| Interest expense | 7,514,000 | 7,872,000 |
| Closed store loss | 819,000 | 475,000 |
| Loss before taxes | $ (5,319,000) | $ (4,842,000) |
| Tax credit | (1,867,000) | (2,902,000) |
| Net Loss | $ (3,452,000) | $ (1,940,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $4,870,000 in 1989 and $4,952,000 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 4,003,000 | $ 955,000 |
| Receiv., net | 7,910,000 | 14,066,000 |
| *Inventories | 72,190,000 | 74,829,000 |
| Inc. taxes receiv. | 4,380,000 | 7,642,000 |
| Prepaid expenses | 1,324,000 | 3,536,000 |
| Current Assets | $ 89,807,000 | $ 101,028,000 |
| #Fixed assets | 37,718,000 | 41,333,000 |
| Other assets | 2,579,000 | 1,540,000 |
| Total Assets | $ 130,104,000 | $ 143,901,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 850,000 | $ 1,148,000 |
| Cap. lease oblig., curr. | 1,503,000 | 422,000 |
| Accts. payable | 30,577,000 | 37,552,000 |
| Accrued payroll | 1,492,000 | 1,358,000 |
| Accrued interest | 1,527,000 | 1,720,000 |
| Other accruals | 2,550,000 | 2,996,000 |
| Income taxes | 29,000 | 85,000 |
| Reserve for closed store costs | 300,000 | 475,000 |
| Curr. Liabilities | $ 38,828,000 | $ 45,756,000 |
| Long-term debt | 47,126,000 | 47,984,000 |
| Other liabilities | 141,000 | 87,000 |
| Def. inc. taxes | 1,101,000 | 3,803,000 |
| +Common stock | 471,000 | 468,000 |
| Add. paid-in capital | 15,818,000 | 15,732,000 |
| Retained earnings | 26,619,000 | 30,071,000 |
| Total Liabilities & Shareholders' Equity | $ 130,104,000 | $ 143,901,000 |

* At lower of cost or market. Retail division by the retail method; distribution division by FIFO method.
# Less accumulated depreciation.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Debt to Equity | 1.15 | 1.07 |
| Working Capital | $ 50,979,000 | $ 55,272,000 |
| Current Ratio | 2.31 | 2.21 |
| Shareholders' Equity | $ 42,908,000 | $ 46,271,000 |

## Salant Corporation

1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500

## Salant Corporation

**Officers:** Ray W. Williams, chairman & chief executive officer; Nicholas P. DePaolo, president & chief operating officer; John S. Rodgers, vice chairman, secretary & general counsel; Martin F. Tynan, v.p.-finance & treasurer.

**Directors:** Ray W. Williams, chairman; John S. Rodgers, Walter J. Fried, John W. Metiler, III, Robert S. Ruwitch, Marvin Schiller, Nicholas P. DePaolo.

**Business Activities:** Operates 85 factory outlet stores in 26 states, principally in the Northeast and South. These outlets retail men's and women's wear and home furnishings. Also engaged in the design, manufacture and sale of apparel and accessories for men, women and children. Its principal products are slacks, jeans, shirts, sportswear, and accessories for men and women, and sleepwear for children.

**Divisions and Subsidiaries:**

Retail Division
1501 Broadway
Fairlawn, New Jersey 07410
(201) 799-8660

Obion Company
1333 Broadway
New York, New York 10018
Manufactures children's sleepwear and playwear.

Texas Apparel Company
4150 Pinnacle Street
El Paso, Texas 79902
Manufactures private label fashion and basic jeans for men and boys.

Thomson Company
1155 Avenue of the Americas
New York, New York 10036
Markets men's slacks, sportswear, sweaters and sport shirts.

**Acquisitions:**

Manhattan Industries, Inc.
1155 Avenue of the Americas
New York, New York 10036
(212) 447-2000
Manufactures and retails men's and women's apparel, including shirts, sportswear, and accessories; women's blouses and dresses; and men's sleepwear. Also operates factory outlet stores and engages in licensing company trademarks.

Denton Mills, Inc.
New York
Manufactures children's sleepwear and related products.

**Transfer Agent(s):**

The Chase Manhattan Bank
1 New York Plaza
New York, New York 10081

**Stock Exchange(s):** New York

**Ticker Symbol:** SLT

**Number of Stores:**

| | |
|---|---|
| 1988 | 85 |

**Sales & Earnings**

| | Net Sales + | Net Income † |
|---|---|---|
| 1988* | $ 370,610,000 | $ 7,650,000 |
| 1987 | 136,272,000 | 8,638,000 |
| 1986 | 131,070,000 | (5,092,000) |
| 1985 | 144,466,000 | (8,084,000) |
| 1984 | 198,771,000 | (21,240,000) |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1988* | 3,428,365 | $ 2.10 |
| 1987 | 3,540,370 | 2.49 |
| 1986 | 3,308,779 | — |
| 1985 | 3,308,779 | — |
| 1984 | 3,308,779 | — |

(Loss)
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary gain of $1,700,000 ($0.49 per share) in 1987 and extraordinary loss of $9,400,000 in 1986.
‡ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | — | — | |
| 1986 | — | — | — |
| 1985 | — | — | — |
| 1984 | 0.30 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 31,561,000 | $ 9.21 |
| 1987 | 24,570,000 | 6.94 |
| 1986 | 12,414,600 | 3.75 |
| 1985 | 16,972,000 | 5.13 |
| 1984 | 24,993,000 | 7.55 |

**Income Account ***
(000's)

| Year Ended | 12/3/88 | 11/28/87 |
|---|---|---|
| Net sales | $ 370,610 | $ 136,272 |
| Cost of sales | 269,067 | 106,426 |
| Expenses | 72,695 | 19,557 |
| Royalty income | (3,468) | — |
| Interest expense | 24,507 | 4,014 |
| Interest income | (241) | (1,014) |
| Income before taxes | $ 8,050 | $ 7,289 |
| Income taxes | 400 | 351 |
| Net Income | $ 7,650 | $ 6,938 |
| Extraord. gain | — | 1,700 |
| Net Income & extraord. gain | $ 7,650 | $ 8,638 |

* Included in Costs and Expenses, Depreciation: $5,527,000 in 1988 and $1,866,000 in 1987.

**Assets**
(000's)

| As of | 12/3/88 | 11/28/87 |
|---|---|---|
| Cash & short-term invest. | $ 27,195 | $ 10,154 |
| Accts. receiv., net | 60,002 | 25,888 |
| *Inventories | 90,504 | 29,617 |
| Assets held for sale | 3,205 | — |
| Prepaid expenses & other curr. assets | 3,133 | 1,148 |
| Current Assets | $ 184,039 | $ 66,807 |
| #Fixed assets | 40,962 | 11,408 |
| Other assets | 91,936 | 1,781 |
| Total Assets | $ 316,937 | $ 79,996 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 15,738 | $ 300 |
| Accts. payable | 27,544 | 8,468 |
| Accrued payroll | 27,108 | 9,097 |
| Accrued interest | 5,610 | 3,261 |
| Taxes payable | 1,318 | 728 |
| Reserve for bus. restruc. | 4,093 | — |
| Current Liabilities | $ 81,411 | $ 21,854 |
| Long-term debt | 184,742 | 28,411 |
| Deferred liab. | 19,223 | 5,161 |
| +Common stock | 3,663 | 3,660 |
| Add. paid-in capital | 17,395 | 17,284 |
| Retained earnings | 11,922 | 4,275 |
| Cum. trans. adjust. | 195 | 165 |
| Treasury stock | (1,614) | (811) |
| Total Liabilities & Shareholders' Equity | $ 316,937 | $ 79,996 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 2.17 | 5.35 |
| % Net Income to Sales | 2.06 | 3.00 |
| % Net Income to Equity | 24.24 | 16.66 |
| Sales to Inventories | 4.09 | 4.60 |
| Debt to Equity | 6.35 | 1.17 |
| Working Capital | $ 102,628,000 | $ 44,953,000 |
| Current Ratio | 2.26 | 3.06 |
| Shareholders Equity | $ 31,561,000 | $ 24,570,000 |

## The Samsung Group

Samsung Main Building
250 2-ka Taepyung-ro Chung-ku
Seoul, Korea

**Executives:** Byung-Chull Lee, chairman of the board-Samsung Group; Kun-Hee Lee, vice chairman-Samsung Group; Hyon-Hwak Shin, chairman-Samsung Co., Ltd.; Joon-Sung Kim, chairman-Samsung Electronics Co., Ltd.; Jae-Un Chung, vice chairman-Samsung Co., Ltd.; Phil-Gon Rhee, president-Samsung Co., Ltd.; Yung-Hi Sohn, president-Cheil Sugar & Co., Ltd.; Dae-Won Lee, president-Cheil Wool Textile Co., Ltd.; Chun-Hwa Lee, president-Cheil Synthetic Textile Co., Ltd.; Hoon-Chull Shin, president-Samsung Aerospace Industries Co., Ltd.; Hyoung-Soo Han, president-Samsung Corning Co., Ltd.; Joo-In Suh, president-Samsung Electro-Mechanics Co., Ltd.; Pyung-Kun Sung, president-Samsung Petrochemical Co., Ltd.; Kwan-Shik Choi, president-Samsung Shipbuilding & Heavy Industries Co., Ltd. and Korea Engineering Co., Ltd.; Ki-Suk Park, president-Samsung Construction Co., Ltd.; Jin-Ku Kang, president-Samsung Semiconductor & Telecommunications Co., Ltd.; Sae-Chang Song, president-Semiconductor & Telecommunications Co., Ltd; Jung-Sang Kim, president-Samsung Watch Co., Ltd.; Sang-Ho Jeun, president-Samsung Data Systems Co., Ltd.; In-Ho Kim, president-Chonju Paper Manufacturing Co., Ltd. and Hotel Shilla Co., Ltd.; Soo-Hwan Lee, president-Joong-ang Development Co., Ltd.; Si-Hwan Ahn, president-Samsung Electronics Co., Ltd.; Jung-Bae Kim, president-Samsung Electronic Devices Co., Ltd.; Kyung-Shik Sohn, president-Ankuk Fire & Marine Insurance Co., Ltd.; Soo-Bin Lee, president-Dongbang Life Insurance Co., Ltd. Han-Sup Ryu, president-Shinsegae Department Store Co., Ltd.; Woon-Hai Cho, chairman-Koryo General Hospital.

**Business Activities:** In the Retail area, the Company operates the Shinsegae Department Store in downtown Seoul, Korea, and two branches at Yeongdeungpo and the Dongbang Plaza, Korea. Other activities include the manufacture of a wide variety of electronic and precision products, industrial machinery, chemicals and textiles; food processing, insurance, hotel services, and the operation of newspapers and magazines.

**Subsidiaries (Korea):**

Samsung Co., Ltd.
26th Floor, Samsung Main Building
250 2-ka Taepyung-ro. Chung-ku. C.P.O. Box 1144
Seoul, Korea
751-2114

Cheil Sugar & Co., Ltd.
18th Floor Dongbang Main Bldg.
150 2-ka, Taepyung-ro. Chung-ku. C.P.O. Box 1155
Seoul, Korea
7518-114

Chell Wool Textile Co., Ltd.
8th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro. Chung-ku. C.P.O. Box 1955
Seoul, Korea
751-2114

Chell Synthetic Textiles Co., Ltd.
19th Floor Dongbang Main Bldg.
150 2-ka Taepyung-ro Chung-ku. C.P.O. Box 3913
Seoul, Korea
7518-114

Chonju Paper Mfg. Co., Ltd.
21th Floor Donbang Main Bldg.
150 2-ka Taepyung-ro Chung-ku.
Seoul, Korea
755-6619
755-2357

Joong-Ang Development Co., Ltd.
12th Floor, Samsung Bldg.
50 1-ka Ulchi-ro Chung-ku
Seoul, Korea
777-5801

Samsung Electronics Co., Ltd.
18th Floor Joong-ang Daily News Bldg.
7 Soonhwa-dong Chung-Ku
C. P. O. Box 2775
Seoul, Korea
751-6114

Samsung Electron Devices Co., Ltd.
5-8th Floor Joong-ang Daily News Bldg.
7 Soonhwa-dong Chung-ku
Seoul, Korea
755-2333

Samsung Aerospace Industries Ltd.
16th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-114

Samsung Corning Co., Ltd.
472 Sin-ri Taean-up Whasung-kun
P.O. Box 32 Suwon
Kyungki-do, Korea
7515-114
(0331) 33-5588

Samsung Electro-Mechanics Co., Ltd.
314 Mactan-dong Suwon-si
Kyungki-do
Korea
7512-114
(0331) 33-5511

Samsung Petrochemical Co., Ltd.
10th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-821/31

Samsung Shipbuilding & Heavy Industries Co., Ltd.
19-20 Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 3384
Seoul, Korea
751-2214

Ankuk Fire & Marine Insurance Co., Ltd.
6th Floor Samsung Bldg.,
50 1-ka Ulchi-ro Chung-ku C.P.O. Box 469
Seoul, Korea
771-42

Dongbang Life Insurance Co., Ltd.
Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-14

Shinsegae Department Store Co., Ltd.
52-5 1-ka Chungmu-ro Chung-ku
Seoul, Korea
754-1234

Koryo General Hospital
108 Pyeong-dong Chongno-ku
C.P.O. Box 3452
Seoul, Korea
739-3211/20

Hotel Shilla Co., Ltd.
202 2-ka Jangchung-dong Chung-ku
Seoul, Korea
233-3131

Samsung Construction Co., Ltd.
5th Floor Joong-ang Bldg.
58-9 Seosomun-dong Chung-ku C.P.O. 8526
Seoul, Korea
757-8877

Samsung Electronics U.K. Ltd.
9th Floor Joong-ang Bldg.
58-9 Seosomun-dong Chung-ku C.P.O. Box 4351
Seoul, Korea
757-9900

Samsung Semiconductor & Telecommunication Co., Ltd.
26th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku C.P.O. Box 8233
Seoul, Korea
771-78

Samsung Watch Co., Ltd.
7th Floor Samsung Main Bldg.,
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 1806
Seoul, Korea
751-2114

Samsung Medical Systems Co., Ltd.
429-1 Sin-ri Taean-up
Hwasung-gun, Kyungki-do
745-5491/4

Samsung Hewlett Packard Co.,
36-1 Youido-dong Youngdeungpo-ku
Seoul, Korea
784-2666

The Joong-Ang Daily News
Joong-ang Daily News Bldg.,
7 Soonhwa-dong Chung-ku
Seoul, Korea
7515-114

Samsung Data Systems Co., Ltd.
6th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 4283
Seoul, Korea
756-6313

**Subsidiaries (U.S.A.)**

Samsung Electronics America Inc.
301 May Hill Street
Saddlebrook, New Jersey 07662
(201) 587-9600
(201) 587-0010

Samsung International
One Samsung Place
Ledgewood, New Jersey 07852
(201) 347-8004

Samsung America Inc.
One Executive Drive
Fort Lee, New Jersey 07024
(201) 592-7900
(212) 227-9770

Samsung Pacific International Inc.,
1425 East Firestone Blvd.
La Mirada, California 90638
802-2211

Samsung Steel (U.S.A.) Inc.,
1333 West Loop South Suite 1180
Houston, Texas 77027
(713) 960-1910

Samsung Semiconductor Inc., (U.S.A.)
5150 Great America Parkway
Santa Clara, California 95054
408-980-1630

Eugene Tech Int'l Inc.,
4 Pear Court Allendale Park
Allendale, New Jersey 07401
(201) 391-6498

**Number of Stores:**

1986 .....3

**Sales & Earnings**

| | Net Sales (millions) | Net Income (millions) |
|---|---|---|
| 1986 ..... | W 14,615,742 | W 161,150 |
| 1985 ..... | 12,230,639 | 97,598 |
| 1984 ..... | 8,680,328 | N.A. |
| 1983 ..... | 6,023,770 | N.A. |
| 1982 ..... | 5,018,516 | N.A. |

W - Korean Won
N.A. - Not Available

**Revenues by Line of Business**
(million's)

| | 1986 | 1985 |
|---|---|---|
| Exports,imports,domestic mktng | W 4,275,449 | W 3,801,711 |
| Electronic | 2,951,240 | 2,322,630 |
| Industrial | 436,550 | 516,134 |
| Chemical | 102,989 | 111,827 |
| Engineering | 439,383 | 465,899 |
| Newsprint | 120,029 | 86,919 |
| Jet engines | 89,582 | 74,043 |
| Digital elec. | 39,069 | 29,290 |
| Food products | 544,926 | 471,425 |
| Textile | 403,595 | 358,003 |
| Other | 4,894,930 | 3,790,358 |

**Common Stock Equity**

| | Total Equity (million's) | Equity Per Share |
|---|---|---|
| 1986 ..... | W 1,101,851 | — |
| 1985 ..... | 981,496 | — |

**Income Account ***
(million's)

| Year ended Dec. 31 | 1986 | 1985 |
|---|---|---|
| Net sales | W 14,615,742 | W 12,230,639 |
| Other income | 196,915 | 121,802 |
| Total income | W 14,812,657 | W 12,352,441 |
| Cost of sales | 13,128,950 | 11,030,355 |
| Expenses | 923,776 | 705,113 |
| Interest expense | 378,395 | 339,799 |
| Other expense | 161,010 | 150,801 |
| Income before taxes | W 220,526 | W 126,373 |
| Income taxes | 59,376 | 28,775 |
| Net Income | W 161,150 | W 97,598 |

* Included in Costs and Expenses, Depreciation and Amortization: W278,352,000,000 in 1986 and W263,578,000,000 in 1985.

**Assets**
(million's)

| As of Dec. 31 | 1986 | 1985 |
|---|---|---|
| Cash | W 423,018 | W 376,320 |
| Marketable securities | 68,834 | 65,713 |
| Notes receivable | 314,034 | 216,371 |
| Accts. receiv., net | 878,747 | 842,760 |
| *Inventories | 867,604 | 675,381 |
| Other curr. assets | 2,503,814 | 1,774,684 |
| Current Assets | W 5,056,051 | W 3,949,229 |
| Investments | 1,185,966 | 860,492 |
| #Fixed assets | 2,948,443 | 2,322,973 |
| Other assets | 240,784 | 205,022 |
| Total Assets | W 9,431,244 | W 7,337,716 |

**Liabilities**
(million's)

| | | |
|---|---|---|
| Notes payable | W 378,706 | W 250,107 |
| Short-term loans | 1,327,794 | 1,185,842 |
| Long-term debt, curr. | 501,452 | 318,618 |
| Accts. payable | 289,688 | 226,315 |
| Accruals | 151,872 | 149,025 |
| Advances from cust. | 119,251 | 78,112 |
| Other accruals | 392,228 | 188,424 |
| Curr. Liabilities | W 3,160,991 | W 2,396,443 |
| Debentures | 320,964 | 458,941 |
| Long-term debt | 1,271,067 | 1,044,554 |
| Reserves | 136,049 | 98,522 |
| Other liabilities | 3,440,322 | 2,447,760 |
| Common stock | 555,742 | 458,464 |
| Add. paid-in capital | 207,409 | 199,421 |
| Retained earnings | 338,700 | 233,611 |
| Total Liabilities & Shareholders' Equity | W 9,431,244 | W 7,337,716 |

# Less accumulated depreciation.

**Statistical Summary**
(thousands)

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.51 | 1.03 |
| %Net Income to Sales | 1.10 | 0.80 |
| %Net Income to Equity | 14.63 | 10.95 |
| Sales to Inventories | 16.85 | 18.11 |
| Debt to Equity | 3.16 | 3.14 |
| Working Capital | W1,895,070,000 | W1,552,786,000 |
| Current Ratio | 1.60 | 1.65 |
| Shareholders' Equity | W1,101,851,000 | W 891,496,000 |

## Schultz Sav-O Stores, Inc.

2215 Union Avenue
Sheboygan, Wisconsin 53081
(414) 457-4433

**Officers:** James H. Dickelman, chairman of the board, president & chief exec. officer; J. D. Ison, exec. v.p. & dir.-corp. operations; Thomas Fox, v.p. & dir.-retail operations; Oscar O. Ward, v.p. & dir.-meat operations; Frank D. Welch, v.p. & dir.-engineering; Robert A. Hobart, v.p. & dir.-mgmt. info. services; John H. Dahly, sr. v.p. & chief financial officer; Jacob A. Stroo, secretary; Michael Houser, v.p. & dir.-marketing; David Sweeney, v.p. & dir.-Sheboygan distribution & transportation; Carl Luecke, v.p. & dir.-produce; William Jacobson, v.p.-franchise operations.

**Directors:** James H. Dickelman*, chairman; Gerald G. Grube, Jacob A. Stroo, Bernard S. Kubale, J. D. Ison*, Thomas Fox, John H. Dahly*, Howard C. Dickelman.

* Member of the Executive Committee

**Business Activities:** Operates 35 corporate-owned Piggly Wiggly supermarkets and Sav-U stores in Wisconsin and Illinois and supplies 49 franchise stores in Wisconsin. In addition to servicing this group, the Company also supplies dry groceries, fresh produce, dairy and meat products to independent retail food operations in Wisconsin and Illinois.

**Division:**

Springtime Beverage Division

**Transfer Agent(s)**

First Interstate Trust Company of Wisconsin
Sheboygan, Wisconsin

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SAVO (NASDAQ)

**Number of Stores:** (at fiscal year end) *

| | | | |
|---|---|---|---|
| 1987 | 40 | 1984 | 38 |
| 1986 | 39 | 1983 | 39 |
| 1985 | 40 | | |

* Corporate-owned stores only.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 425,185,000 | $ 2,915,000 |
| 1987 | 412,732,000 | 2,701,000 |
| 1986* | 406,611,000 | 2,394,000 |
| 1985 | 383,144,000 | 1,527,000 |
| 1984 | 367,574,679 | 1,110,764 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1988 | 2,165,900 | $ 1.34 |
| 1987 | 2,158,128 | 1.25 |
| 1986* | 2,110,710 | 1.13 |
| 1985 | 2,111,004 | 0.72 |
| 1984 | 2,080,212 | 0.53 |

* 53 weeks.
† Based on the weighted average number of common shares outstanding during each year adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.11 | — | 3-for-2 |
| 1987 | 0.11 | — | |
| 1986 | 0.10 | — | — |
| 1985 | 0.09 | — | — |
| 1984 | 0.08 | — | — |

‡ Adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share † |
|---|---|---|
| 1988 | $ 18,398,000 | $ 8.49 |
| 1987 | 15,699,000 | 7.27 |
| 1986 | 12,869,000 | 6.10 |
| 1985 | 10,695,000 | 5.07 |
| 1984 | 9,348,421 | 4.49 |

‡ After allowing for preferred stock at par value of $100 per share.
† Based on the weighted average number of common shares outstanding during each year adjusted to reflect stock splits.

**Income Account ***

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 425,185,000 | $ 412,732,000 |
| Cost of sales | 414,008,000 | 401,596,000 |
| Expenses | 5,750,000 | 6,031,000 |
| Interest expense | 1,710,000 | 1,383,000 |
| Other income | (728,000) | (973,000) |
| Income before taxes | $ 4,445,000 | $ 4,695,000 |
| Income taxes | 1,530,000 | 1,994,000 |
| Net Income | $ 2,915,000 | $ 2,701,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $4,575,000 in 1988 and $3,885,000 in 1987.

**Assets**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 3,738,000 | $ 2,329,000 |
| Accts. receiv., net | 3,762,000 | 3,149,000 |
| *Inventories | 22,462,000 | 19,558,000 |
| Prepaid expenses | 234,000 | 310,000 |
| Receiv. under capital sublease agrmts., curr. | 408,000 | 254,000 |
| Current Assets | $ 30,604,000 | $ 25,600,000 |
| Investments & other assets | 1,742,000 | 1,851,000 |
| #Fixed assets | 26,647,000 | 22,695,000 |
| Receiv. under capital sublease agrmts. | 5,570,000 | 2,190,000 |
| Leased prop. under cap. leases | 6,292,000 | 3,047,000 |
| Total Assets | $ 70,855,000 | $ 55,383,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ — | $ 2,000,000 |
| Long-term debt, curr. | 565,000 | 869,000 |
| Oblig. under capital lease, curr. | 939,000 | 765,000 |
| Accts. payable | 13,338,000 | 10,825,000 |
| Accruals | 7,214,000 | 7,834,000 |
| Income taxes pay. | — | 1,374,000 |
| Curr. Liabilities | $ 22,056,000 | $ 23,667,000 |
| Long-term debt | 16,235,000 | 8,814,000 |
| Oblig. under capital lease | 12,035,000 | 5,505,000 |
| Deferred inc. taxes | 1,831,000 | 1,398,000 |
| +Preferred stock | 300,000 | 300,000 |
| ++Common stock | 108,000 | 361,000 |
| Add. paid-in capital | 2,596,000 | 2,304,000 |
| Retained earnings | 15,694,000 | 13,034,000 |
| Total Liabilities & Shareholders' Equity | $ 70,855,000 | $ 55,383,000 |

* At cost which is not in excess of market.
# Less accumulated depreciation and unamortized investment credit.
+ $100 par value.
++ $0.05 par value in 1988; $0.25 par in 1987.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.05 | 1.14 |
| %Net Income to Sales | 0.69 | 0.65 |
| %Net Income to Equity | 15.59 | 16.88 |
| Sales to Inventories | 18.93 | 21.10 |
| Debt to Equity | 1.59 | 1.12 |
| Working Capital | $ 8,548,000 | $ 2,843,000 |
| Current Ratio | 1.39 | 1.12 |
| Shareholders' Equity | $ 18,698,000 | $ 15,999,000 |

## Scotty's, Inc.

5300 North Rocker Highway
Winter Haven, Florida 33882
(813) 299-1111

Mailing address:
P.O. Box 939
Winter Haven, Florida 33882

**Officers:** James W. Sweet, chairman of the board and chief executive officer; Dennis W. Stults, president & chief operating officer; Harold W. Taylor, sr. v.p., secretary & chief financial officer; Hugh Tuttle, v.p. & sr. regional mgr.; Dan Maffett, v.p. & general sales mgr.; James E. Howe, v.p.-employee relations; Richard W. Martineau, exec. v.p.; Owen Fender, v.p. & general credit manager; James Church, v.p.-mgmt. info. services; Orbin Sexson, v.p.-warehousing; Kevin Fitzgerald, sr. v.p.-purchasing & distribution; Robert Cawein, v.p.-transportation; David J. Bryant, v.p.-commercial sales manager; Thomas B. Cook, v.p. & regional mgr.; Richard D. Clark, v.p.-real estate; Tim R. Kessler, v.p. & director-purchasing; Robert A. Stanton, v.p. & director-purchasing.

**Directors:** James W. Sweet, chairman; Ray H. Cooney, Dennis W. Stults, Harold W. Taylor, Rolland A. Maxwell, John B. Ellis, Francois Vaxelaire, Sherwin P. Simmons, John M. Miller, P. Scott Linder, Jacques A. M. Dopchie.

**Business Activities:** Operates a chain of building supply stores primarily in the state of Florida. Stores operate under the name 'Scotty's,' 'Scotty's Hardware,' and 'Scotty's Factory Outlet Warehouse.'

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

**Stock Exchange(s):** New York

**Ticker Symbol:** SHB

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 141 | 1984 | 110 |
| 1986 | 130 | 1983 | 102 |
| 1985 | 116 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1987 | $ 515,274,000 | $ 10,296,000 |
| 1986 | 493,895,000 | 13,524,000 |
| 1985 | 453,444,000 | 17,507,000 |
| 1984 | 424,537,000 | 18,059,000 |
| 1983 | 358,982,000 | 11,316,000 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1987 | 14,608,000 | $ 0.71 |
| 1986 | 14,470,000 | 0.93 |
| 1985 | 14,337,000 | 1.29 |
| 1984 | 13,243,000 | 1.39 |
| 1983 | 11,902,000 | 0.98 |

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.52 | — | — |
| 1986 | 0.52 | — | |
| 1985 | 0.52 | — | — |
| 1984 | 0.44 | — | — |
| 1983 | 0.40 | — | 3-for-2 |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 172,910,000 | $ 11.84 |
| 1986 | 168,547,000 | 11.65 |
| 1985 | 160,309,000 | 11.22 |
| 1984 | 139,930,000 | 10.57 |
| 1983 | 112,264,000 | 9.43 |

‡ Adjusted to reflect stock split.

**Income Account**

| Year ended | 6/27/87 | 6/28/86 |
|---|---|---|
| Net sales | $ 515,274,000 | $ 493,895,000 |
| Cost of sales | 355,455,000 | 337,655,000 |
| Expenses | 126,998,000 | 119,596,000 |
| Depreciation | 12,972,000 | 11,601,000 |
| Interest expense | 6,169,000 | 4,257,000 |
| Non-operating income | (6,316,000) | (2,600,000) |
| Income before taxes | $ 19,996,000 | $ 23,386,000 |
| Income taxes | 9,700,000 | 9,862,000 |
| Net Income | $ 10,296,000 | $ 13,524,000 |

**Assets**

| As of | 6/27/87 | 6/28/86 |
|---|---|---|
| Cash & cash equiv. | $ 3,380,000 | 3,556,000 |
| Marketable securities | 457,000 | 8,183,000 |
| Accts. receiv., net | 22,845,000 | 20,820,000 |
| * Inventories | 114,095,000 | 104,347,000 |
| Other assets | 1,993,000 | 1,727,000 |
| Current Assets | $ 142,770,000 | $ 138,633,000 |
| # Fixed assets | 161,641,000 | 149,189,000 |
| Other assets | 1,103,000 | 1,083,000 |
| Total Assets | $ 305,514,000 | $ 288,905,000 |

**Liabilities**

| | | |
|---|---|---|
| Short-term borrowings | $ 7,026,000 | $ 7,187,000 |
| Long-term debt, curr. | 4,131,000 | 3,840,000 |
| Accts. payable & accruals | 58,423,000 | 46,571,000 |
| Income taxes | — | 512,000 |
| Curr. Liabilities | $ 69,580,000 | $ 58,110,000 |
| Long-term debt | 52,896,000 | 56,520,000 |
| Deferred income taxes | 10,128,000 | 5,728,000 |
| + Common stock | 14,608,000 | 14,470,000 |
| Add. paid-in capital | 66,708,000 | 65,197,000 |
| Retained earnings | 91,594,000 | 88,880,000 |
| Total Liabilities & Shareholders' Equity | $ 305,514,000 | $ 288,905,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.88 | 4.74 |
| %Net Income to Sales | 2.00 | 2.74 |
| %Net Income to Equity | 5.95 | 8.02 |
| Sales to Inventories | 4.52 | 4.73 |
| Debt to Equity | 0.31 | 0.40 |
| Working Capital | $ 73,190,000 | $ 80,523,000 |
| Current Ratio | 2.05 | 2.39 |
| Shareholders' Equity | $ 172,910,000 | $ 168,547,000 |

## Sears Canada Inc.

(61.4% interest owned by Sears, Roebuck and Co.)

222 Jarvis Street
Toronto, Ontario M5B 2B8, Canada
(416) 362-1711

**Officers:** C. Richard Sharpe, chairman of the board & chief exec. officer; Laurence E. Cudmore, president & chief operating officer; Neil M. Whitmore, v.p.-distribution; J.J. Michael Eagan, v.p., secretary & general counsel; Donald S. Shaffer, v.p.-field sales operations & real estate; William R. Turner, v.p.-merchandising; Richard C. McMillan, v.p.-personnel & credit; Larry Ginther, v.p.-finance, chief financial officer & treasurer; Robert J. Ferkenhoff, v.p.-information systems.

**Directors:** M. F. Belanger, H. Corrigan, W. A. Dimma, Matthew A. Howard, A. H. Mingay, A. Powis, Jeanne E. Lougheed, G. Joseph Reddington, C. R. Sharpe, J. M. Tory, W. P. Wilder, M. Bozic, Laurence E. Cudmore, John F. Wirth.

**Business Activities:** Operates 84 retail department stores, and 1,642 catalogue sales units in Canada.

**Transfer Agent(s):**

The Royal Trust Company
Toronto, Ontario
Montreal, Quebec
Calgary, Alberta

**Stock Exchange(s):** Toronto, Montreal

**Ticker Symbol:** SCC

**Number of Stores** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 84 | 1985 | 75 |
| 1987 | 80 | 1984 | 74 |
| 1986 | 77 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1988 | $ 4,327,200 | $ 95,700 |
| 1987 | 4,035,098 | 106,860 |
| 1986 | 3,889,114 | 78,697 |
| 1985 | 3,789,214 | 86,056 |
| 1984 | 3,652,320 | 36,175 |

| | No. of Com. Shares | Earn. per Share ‡ # |
|---|---|---|
| 1988 | 86,021,533 | $ 1.11 |
| 1987 | 87,426,533 | 1.22 |
| 1986 | 87,458,213 | 0.90 |
| 1985 | 87,327,913 | 0.99 |
| 1984 | 87,306,983 | 0.41 |

‡ Including extraordinary gains of $24,786,000 ($0.28 per share) in 1987, $350,000 in 1986 and $11,745,000 ($0.14 per share) in 1985.
# Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.24 | — | — |
| 1987 | 0.24 | — | |
| 1986 | 0.24 | — | — |
| 1986 | 0.20 | — | — |
| 1984 | 0.20 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 883,500,000 | $ 10.27 |
| 1987 | 824,536,000 | 9.43 |
| 1986 | 738,951,000 | 8.45 |
| 1985 | 697,074,000 | 7.98 |
| 1984 | 628,318,000 | 7.20 |

**Income Account**
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 4,327,200 | $ 4,035,098 |
| Cost of sales & exp. | 3,924,900 | 3,665,674 |
| Depreciation | 45,000 | 44,028 |
| Interest expense | 150,600 | 143,535 |
| Misc. taxes | 44,600 | 42,668 |
| Income before taxes | $ 162,100 | $ 139,193 |
| Income taxes | 74,900 | 68,004 |
| Eq. in earn. of assoc. cos. | (8,500) | (10,885) |
| Net Income | $ 95,700 | $ 82,074 |
| Extraord. gain | — | 24,786 |
| Net Income & Extraord. gain | $ 95,700 | $ 106,860 |

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 8,500 | $ 8,482 |
| Accts. receiv., net | 1,493,500 | 1,270,408 |
| *Inventories | 746,800 | 740,047 |
| Prepaid expenses | 76,200 | 72,067 |
| Current Assets | $ 2,325,000 | $ 2,091,004 |

| | | |
|---|---|---|
| Investments & other assets | 61,900 | 78,476 |
| #Fixed assets | 363,000 | 360,508 |
| Deferred charges | 113,900 | 92,464 |
| Total Assets | $ 2,863,800 | $ 2,622,452 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Notes payable | $ 615,600 | $ 383,101 |
| Long-term debt, curr. | 76,200 | 79,121 |
| Accts. payable | 216,600 | 184,817 |
| Accruals | 182,500 | 201,806 |
| Income & other taxes | 57,200 | 94,050 |
| Curr. Liabilities | $ 1,148,100 | $ 942,895 |
| Long-term debt | 777,100 | 808,202 |
| Deferred inc. taxes | 55,100 | 46,819 |
| +Capital stock | 268,500 | 272,624 |
| Retained earnings | 615,000 | 551,912 |
| Total Liabilites & Shareholders' Equity | $ 2,863,800 | $ 2,622,452 |

° At lower of approximate cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.75 | 3.45 |
| %Net Income to Sales | 2.21 | 2.03 |
| %Net Income to Equity | 10.83 | 9.95 |
| Sales to Inventories | 5.79 | 5.45 |
| Debt to Equity | 1.66 | 1.54 |
| Working Capital | $ 1,176,900,000 | $ 1,148,109,000 |
| Current Ratio | 2.02 | 2.22 |
| Shareholders' Equity | $ 883,500,000 | $ 824,536,000 |

## Sears, Roebuck and Co.

Sears Tower
Chicago, Illinois 60684
(312) 875-2500

**Officers:** Edward A. Brennan, chairman of the board, president & chief exec. officer; James M. Denny, sr. v.p. & chief financial officer; Charles F. Moran, sr. v.p. & chief information officer; David Shute, sr. v.p., corp. general counsel & secretary; Randolf H. Aires, v.p.-governmental affairs; Edward J. Condon, Jr., v.p. & treasurer; Charles J. Ruder, v.p.-corporate public affairs; Allan B. Stewart, sr. v.p.-corporate administration & planning; David P. Norum, v.p.-taxes; John S. Vivian, v.p. & corporate comptroller; Warren F. Cooper, v.p.-corporate personnel; Edward M. Liddy, v.p.-corp. finance; Charles A. Carlson, v.p.-technology services.

**Directors:** Edward R. Telling°, Edward A. Brennan°, E. Mandell de Windt°, Sybil Collins Mobley, Norma Pace, Nancy C. Reynolds, Clarence B. Rogers, Jr., Donald H. Rumsfeld°, Edgar B. Stern, Jr.°, Warren L. Batts°, Michael Boxic, Albert V. Casey, Richard J. Hasyen, Arthur J. Hill, Philip J. Purcell, James M. Denny°.

° Member of the Executive Committee

**Business Activities:** The world's largest retailer of general merchandise, Sears distributes broad lines of its own and national brand name goods through over 2,300 selling locations (including 1,700 independent catalog merchants) located in 50 states and Puerto Rico. The Company also operates 824 general merchandise retail stores, and 825 specialty stores, including 424 Western Auto automotive supply stores, 101 paint and hardware stores, 59 business systems centers, 100 eye care centers, and 29 Pinstripes Petites stores. Sears is also engaged in the property-liability and life insurance businesses through the wholly owned Allstate Insurance Company. Provides a full-service real estate network through its Coldwell Banker Real Estate Group. The Dean Witter Financial Services Group conducts investment and other financial service activities. Sears has a 61.4% ownership position in Sears Canada Inc., which conducts a retail store and catalog order business in Canada.

**Selected Divisions and Subsidiaries:**

Dean Witter Financial Services Group
Coldwell Banker Real Estate Group
Allstate Insurance Group
Sears Merchandise Group

Sears Canada Inc. (61.4% owned)
Toronto, Ontario, Canada

Eye Care Centers of America, Inc.
Operates 100 eye care centers across the Southwest and Pacific Northwest.

Pinstripes Petites, Inc.
Operates 29 women's retail clothing stores.

**Acquisition:**

Western Auto Supply Company
2107 Grand Avenue
Kansas City, Missouri 64108
(816) 346-4000
Operates 424 retail automotive supply stores in 47 states.

**Transfer Agent(s):**

Morgan Shareholders Services Trust Company
30 West Broadway
New York, New York 10007

**Stock Exchange(s):** New York, Midwest, Pacific, London, Basel, Geneva, Lausanne, Zurich, Amsterdam, Tokyo, Paris, Frankfurt

**Ticker Symbol:** S

**Number of Stores:** (at fiscal year end)°

| | | | |
|---|---|---|---|
| 1988 | 824 | 1985 | 799 |
| 1987 | 813 | 1984 | 798 |
| 1986 | 806 | | |

° Excludes specialty stores.

**Sales & Earnings x**

| | Revenues + (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 50,251,000 | $ 1,454,000 |
| 1987 | 45,904,000 | 1,633,000 |
| 1986 | 42,303,000 | 1,339,000 |
| 1985 | 39,349,000 | 1,294,000 |
| 1984 | 37,898,000 | 1,452,000 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1988 | 379,000,000 | $ 3.84 |
| 1987 | 378,000,000 | 4.30 |
| 1986 | 369,000,000 | 3.58 |
| 1985 | 363,000,000 | 3.51 |
| 1984 | 358,000,000 | 4.00 |

x Restated to reflect adoption of SFAS No. 97, "Accounting and reporting by insurance enterprises for certain long-duration contracts and for realized gains and losses from the sale of investments."
+ Of continuing operations only.
† Based on the average number of shares outstanding.

**Revenues by Line of Business (000's)**

| | 1988 | 1987 |
|---|---|---|
| Sears Merch. group | $ 30,256,000 | $ 28,085,000 |
| Allstate Insur. group | 14,924,000 | 13,055,000 |
| Dean Witter Fin. Serv. group | 3,758,000 | 3,446,000 |
| Coldwell Banker Rl. Est. group | 1,444,000 | 1,399,000 |
| Corporate | 198,000 | 176,000 |
| Intersegment | (329,000) | (257,000) |
| Total | $ 50,251,000 | $ 45,904,000 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 2.00 | — | — |
| 1987 | 2.00 | — | — |
| 1986 | 1.76 | — | — |
| 1985 | 1.76 | — | — |
| 1984 | 1.76 | — | — |

**Common Stock Equity x**

| | Total Equity (000's) | | Equity Per Share |
|---|---|---|---|
| 1988 | $ 14,055,000 | | $ 37.75 |
| 1987 | 13,541,600 | | 35.77 |
| 1986 | 12,767,600 | ‡ | 33.90 |
| 1985 | 11,526,000 | ‡ | 31.66 |
| 1984 | 10,653,000 | ‡ | 29.46 |

x Restated.
‡ After allowing for preferred stock at a liquidation preference of $100 per share.

**Income Account ° (000's)**

| Year ended Dec. 31 | 1987‡ | 1986 |
|---|---|---|
| Revenues | $ 50,251,000 | $ 45,904,000 |
| Costs & expenses | 45,615,000 | 41,222,500 |
| Nonrecurr. expenses | 751,100 | 105,200 |
| Interest expense | 2,937,400 | 2,720,600 |
| Other income | (156,800) | (239,400) |
| Income before taxes | $ 1,102,800 | $ 2,095,200 |
| Income taxes | 53,500 | 348,100 |
| Minority interest | 17,000 | 20,900 |
| Inc.-cont. oper. | $ 1,032,300 | $ 1,726,200 |
| Loss-discont. oper. | (122,800) | (93,400) |
| Cum. effect of acct. change | 544,200 | — |
| Net Income | $ 1,453,700 | $ 1,632,800 |

‡ Restated.
° Included in Costs and Expenses, Depreciation and Amortization: $744,300,000 in 1988 and $738,400,000 in 1987.

**Assets (000's)**

| As of Jan 31 | 1988 | 1987‡ |
|---|---|---|
| Receivables | $ 26,685,300 | $ 26,026,400 |
| Investments | 29,135,800 | 25,120,300 |
| #Fixed Assets | 5,179,000 | 4,790,400 |
| °Inventories | 3,715,500 | 4,115,300 |
| Cash & invested cash | 3,458,100 | 2,804,700 |
| Securities purch. under agree. to resell | 3,302,900 | 6,400,000 |
| Trading account securities owned | 811,400 | 2,513,100 |
| Other assets | 3,663,600 | 3,243,400 |
| Total Assets | $ 77,951,600 | $ 75,013,800 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Reserve for insur. claim | $ 17,329,400 | $ 13,168,800 |
| Short-term borrowing | 8,978,100 | 7,055,000 |
| Long-term debt | 9,735,500 | 9,561,700 |
| Deposits & advances | 7,355,900 | 7,178,100 |
| Unearned revenue | 5,231,800 | 4,789,900 |
| Accts. pay. & other liab. | 7,470,700 | 6,474,700 |
| Securities sold under repurch. agree | 3,058,400 | 6,817,200 |
| Deferred inc. taxes | 543,100 | 1,774,200 |
| Pay. to brokerage clients | 3,142,500 | 3,120,900 |
| Unpurch. securities | 1,051,300 | 1,532,200 |
| +Common stock | 287,700 | 287,200 |
| Add. paid-in capital | 2,071,600 | 2,040,500 |
| Retained earnings | 11,904,200 | 11,208,400 |
| Treasury stock | (382,000) | (79,200) |
| Unreal. cap. gains on eq. sec. | 170,000 | 139,600 |
| Cum. trans. adjust. | 3,400 | (55,200) |
| Total Liabilities & Shareholders' Equity | $ 14,054,900 | $ 13,541,100 |

‡ Restated.
* At lower of cost (LIFO) or market. Foreign inventories at FIFO.
# Less accumulated depreciation.
+ $0.75 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 10.34 | 12.06 |
| Debt to Equity | 1.33 | 1.23 |
| Shareholders' Equity (000's) | $ 14,054,900 | $ 13,541,100 |

## Seaway Food Town, Inc.

1020 Ford Street
Maumee, Ohio 43537
(419) 893-9401

**Officers:** Wallace D. Iott, chairman & chief exec. officer; Richard B. Iott, president; Waldo E. Yeager, sr. v.p.-finance & treasurer; David J. Walrod, exec. v.p.-operations; David A. Katz, secretary.

**Directors:** Wallace D. Iott, chairman; Paul Pope, Thomas M. O'Donnell, Robert J. Kirk, Edwin Z. Singer, David A. Katz, Waldo E. Yeager, Richard B. Iott, David J. Walrod, Richard K. Ransom.

**Business Activities:** Operates a chain of 59 food stores located in northwest and central Ohio and southeast Michigan under the names "Food Town Supermarkets" and "Kash 'N Karry Super Food Stores." Also operates 10 deep discount drug stores under the name "The Pharm."

**Divisions and Subsidiaries:**

Northern Distributing Co.
V. F., Inc.
Gruber's Food Town, Inc.
Tracy & Avery Food Town, Inc.
Fjord Properties, Inc.
Seaway Properties, Inc.
Buckeye Discount, Inc.
Custer Pharmacy, Inc.

All at:
1020 Ford Street
Maumee, Ohio 43537
(419) 893-9401

Baldauf Bakery Division
915 Kingsbury Street
Maumee, Ohio 43537

Buckeye Specialties Division
2145 Tedrow Street
Toledo, Ohio 43614

Valley Farms Foods
Maumee, Ohio

Toledo Milk Processing, Inc.
1149 Grand
Toledo, Ohio 43606
(419) 244-3757

**Transfer Agent(s):**

First National Bank of Toledo
Toledo, Ohio

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SEWY (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 69 | 1985 | 73 |
| 1987 | 73 | 1984 | 73 |
| 1986 | 76 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 448,070,000 | $ 9,235,000 |
| 1987 | 457,788,000 | 2,594,000 |
| 1986 | 423,635,000 | 1,683,000 |
| 1985 | 431,144,000 | 3,663,000 |
| 1984* | 466,020,000 | 1,691,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 2,343,822 | $ 3.94 |
| 1987 | 2,714,650 | 0.96 |
| 1986 | 3,484,578 | 0.48 |
| 1985 | 3,682,130 | 0.99 |
| 1984* | 4,370,126 | 0.39 |

* 53 weeks.
# Based on the average number of share outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.34 | — | 2-for-1 |
| 1987 | 0.34 | — | |
| 1986 | 0.34 | — | — |
| 1985 | 0.34 | — | — |
| 1984 | 0.34 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 29,671,000 | $ 12.93 |
| 1987 | 23,731,000 | 9.51 |
| 1986 | 32,671,000 | 9.68 |
| 1985 | 33,569,000 | 9.60 |
| 1984 | 37,465,000 | 8.78 |

# Adjusted to reflect stock split.

**Income Account ***

| Year ended | 8/27/88 | 9/26/87 |
|---|---|---|
| Net sales | $ 448,070,000 | $ 457,788,000 |
| Cost of sales | 338,780,000 | 345,681,000 |
| Expenses | 103,023,000 | 104,903,000 |
| Other income | (9,854,000) | (1,650,000) |
| Interest expense | 3,212,000 | 3,998,000 |
| Income before taxes | $ 12,909,000 | $ 4,856,000 |
| Income taxes | 4,759,000 | 2,262,000 |
| Cum. effect of acct. change | (1,085,000) | — |
| Net Income | $ 9,235,000 | $ 2,594,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $7,788,000 in 1988 and $8,493,000 in 1987.

**Assets**

| As of | 8/27/88 | 9/26/87 |
|---|---|---|
| Cash | $ 6,452,000 | $ 5,898,000 |
| Accts. & notes receiv., net | 4,239,000 | 3,346,000 |
| *Inventories | 37,121,000 | 37,581,000 |
| Prepaid expenses | 1,643,000 | 4,338,000 |
| Current Assets | $ 49,455,000 | $ 51,163,000 |
| Other assets | 1,827,000 | 2,580,000 |
| #Fixed assets | 56,492,000 | 54,573,000 |
| Total Assets | $ 107,774,000 | $ 108,316,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,648,000 | $ 1,596,000 |
| Accts. payable | 29,722,000 | 32,677,000 |
| Accruals | 9,999,000 | 7,862,000 |
| Income taxes | 767,000 | 1,057,000 |
| Curr. Liabilities | $ 42,136,000 | $ 43,192,000 |
| Long-term debt | 32,145,000 | 35,519,000 |
| Deferred inc. taxes | 3,822,000 | 5,874,000 |
| +Common stock | 4,927,000 | 2,494,000 |
| Add. paid-in capital | — | 991,000 |
| Retained earnings | 26,786,000 | 20,246,000 |
| Stock held by ESOP | (2,042,000) | — |
| Total Liabilities & Shareholders' Equity | $ 107,774,000 | $ 108,316,000 |

* Meat, produce and drug inventories at lower of cost (FIFO) or market; other inventories at lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.88 | 1.06 |
| %Net Income to Sales | 2.06 | 0.57 |
| %Net Income to Equity | 31.12 | 10.93 |
| Sales to Inventories | 12.07 | 12.18 |
| Debt to Equity | 1.14 | 1.50 |
| Working Capital | $ 7,319,000 | $ 7,971,000 |
| Current Ratio | 1.17 | 1.18 |
| Shareholders' Equity | $ 29,671,000 | $ 23,731,000 |

## Service Merchandise Company, Inc.

2968 Foster Creighton Drive
P.O. Box 24600
Nashville, Tennessee 37202
(615) 251-6666

**Officers:** Raymond Zimmerman, chairman of the board, president & chief exec. officer; Howard I. Levy, executive v.p.; Glenn A. Bodry, v.p., secretary & gen. counsel; S. P. Braud, v.p., treasurer & chief financial officer.

**Directors:** Raymond Zimmerman, chairman; R. Maynard Holt, Charles V. Moore, Richard P. Crane, Jr., Howard I. Levy, James E. Poole.

**Business Activities:** Catalog merchandising company operating 317 merchandise showrooms in 36 states. Engaged in the sale of a broad line of jewelry, diamonds and nationally advertised brand-name hardgoods merchandise such as housewares, small appliances, giftware, silverware, cameras, luggage, radios, televisions, and other home electronic equipment and accessories, toys, sporting goods, and home and garden equipment.

**Subsidiaries:**

Computer Shoppes, Inc.
Specialty computer business operating 11 retail outlets in four southern states on the basis of consultive selling.

Zimm's
Jewelry and giftware sold through three stores in Nashville, Tennessee.

## Service Merchandise Company, Inc.

**Transfer Agent(s)**

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60690

**Stock Exchange(s):** New York

**Ticker Symbol:** SME

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 331 | 1985 | 328 |
| 1987 | 323 | 1984 | 195 |
| 1986 | 313 | | |

**Sales & Earnings**

| | Net Sales ‡ | Net Income |
|---|---|---|
| 12/31/88 | $ 3,092,817,000 | $ 76,487,000 |
| 1/2/88 | 2,719,102,000 | 30,854,000 |
| 1/3/87* | 2,527,300,000 | (46,898,000) |
| 12/28/85 | 2,244,806,000 | 10,733,000 |
| 12/29/84 | 1,603,141,000 | 44,576,000 |

| | No. of Com. Shares + | Earn. per Share + |
|---|---|---|
| 12/31/88 | 50,654,000 | $ 1.51 |
| 1/2/88 | 49,973,000 | 0.62 |
| 1/3/87* | 49,973,000 | — |
| 12/28/85 | 49,913,000 | 0.22 |
| 12/29/84 | 45,900,000 | 0.97 |

(Loss)
* 53 Weeks
‡ Of continuing operations only.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 12/31/88 | $ 0.05 | — | 3-for-2 |
| 1/2/88 | 0.05 | — | |
| 1/3/87 | 0.05 | — | — |
| 12/28/85 | 0.05 | — | — |
| 12/29/84 | 0.05 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 12/31/88 | $ 380,655,000 | $ 7.51 |
| 1/2/88 | 306,765,000 | 6.14 |
| 1/3/87 | 278,566,000 | 5.57 |
| 12/28/85 | 328,150,000 | 6.57 |
| 12/19/84 | 308,595,000 | 6.72 |

+ Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net sales | $ 3,092,817 | $ 2,719,102 |
| Cost of sales | 2,343,889 | 2,099,650 |
| Expenses | 497,791 | 441,708 |
| Depreciation & amortization | 53,646 | 56,172 |
| Other income | (6,001) | (8,544) |
| Interest expense | 82,145 | 85,564 |
| Income bef. taxes | $ 121,347 | $ 44,552 |
| Income taxes | 44,860 | 19,661 |
| Cum. effect of change in accntg. meth. | — | (5,963) |
| Net Income | $ 76,487 | $ 30,854 |

**Assets**
(000's)

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 336,590 | $ 249,863 |
| Accts. receiv., net | 66,487 | 55,452 |
| *Inventories | 715,902 | 657,447 |
| Prepaid expenses | 28,682 | 21,730 |
| Current Assets | $ 1,147,661 | $ 984,492 |
| #Fixed assets | 548,873 | 575,434 |
| Other assets & defer. charges | 14,140 | 15,579 |
| Total Assets | $ 1,710,674 | $ 1,575,105 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 38,473 | $ 73,410 |
| Cap. leases, curr. | * 5,522 | 6,344 |
| Accts. payable | 464,606 | 410,721 |
| Accruals | 133,053 | 82,618 |
| Sales tax | 39,037 | 30,779 |
| Inc. taxes | 50,367 | 11,743 |
| Curr. Liabilities | $ 731,058 | $ 615,615 |
| Long-term debt | 467,882 | 515,013 |
| Cap. lease oblig. | 106,386 | 107,188 |
| Deferred income taxes | 24,693 | 30,524 |
| +Common stock | 25,326 | 16,884 |
| Add. paid-in capital | 71,165 | 79,539 |
| Retained earnings | 290,358 | 216,736 |
| Treasury stock | (6,394) | (6,394) |
| Total Liabilities & Shareholders' Equity | $ 1,710,674 | $ 1,575,105 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.92 | 1.63 |
| %Net Income to Sales | 2.47 | 1.13 |
| %Net Income to Equity | 20.09 | 10.06 |
| Sales to Inventories | 4.32 | 4.14 |
| Debt to Equity | 1.62 | 2.29 |
| Working Capital | $ 416,603,000 | $ 368,877,000 |
| Current Ratio | 1.57 | 1.62 |
| Shareholders' Equity | $ 380,655,000 | $ 306,765,000 |

## Sharper Image Corporation

650 Davis Street
San Francisco, California 94111
(415) 445-6000

**Officers:** Richard Thalheimer, chairman of the board, president & chief executive officer; Craig Womack, sr. v.p.; Robert Schultz, v.p., controller & chief financial officer; Robert Bissell, v.p.-creative & merchandising; David Pile, v.p.-human resources; Elyse Eng Thalheimer, corp. secretary.

**Directors:** Richard Thalheimer, chairman; Elyse Eng Thalheimer, Wataru Ohashi, Lawrence Feldman, Stanley Fenvessy, Maurice Gregg, Alan Thalheimer.

**Business Activities:** Operates 62 "The Sharper Image" retail stores in 25 states and the District of Columbia. These stores offer a wide variety of products, including electronics, communications, health and fitness, recreational and novelty items. The Company also licenses the use of its name to licensees, who currently operate five "The Sharper Image" stores in Japan and one in Switzerland. Also conducts a mail order catalog business.

**Transfer Agent(s):**

Bank of America, NT & SA
Corporate Agency
San Francisco, California

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SHRP (NASDAQ)

**Number of Stores*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 62 | 1986 | 14 |
| 1988 | 45 | 1985 | 5 |
| 1987 | 27 | | |

*Company-operated only.

**Sales & Earnings**

| | Revenues | Net Income |
|---|---|---|
| 1/31/89 | $ 191,341,000 | $ 4,794,000 |
| 1/31/88 | 160,885,000 | 5,607,000 |
| 1/31/87* | 98,231,000 | 3,606,000 |
| 4/30/86 | 88,160,000 | 1,426,000 |
| 4/30/85 | 86,824,000 | 173,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1/31/89 | 8,232,471 | $ 0.58 |
| 1/31/88 | 8,253,439 | 0.70 |
| 1/31/87* | 7,104,790 | 0.51 |
| 4/30/86 | 7,051,940 | 0.20 |
| 4/30/85 | 6,790,000 | 0.02 |

* 9 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**

| | 1989 | 1988 | 1987 |
|---|---|---|---|
| Net store sales | 74.2 % | 66.4 % | 52.5 % |
| Net catalogue sales | 25.1 | 32.7 | 46.4 |
| List rental | 0.7 | 0.9 | 1.1 |
| Total | 100.0 % | 100.0 % | 100.0 % |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 29,179,000 | $ 3.54 |
| 1987 | 24,414,000 | 2.96 |
| 1986 | 8,195,000 | 1.15 |
| 1985 | 4,548,000 | 0.64 |
| 1984 | 3,066,000 | 0.45 |

**Income Account***
(000's)

| Year ended | 1/31/89 | 1/31/88 |
|---|---|---|
| Net sales | $ 190,017 | $ 159,455 |
| List rental | 1,324 | 1,430 |
| Total revenues | $ 191,341 | $ 160,885 |
| Cost of sales | 122,167 | 99,633 |
| Expenses: | | |
| Adv. & promotion | 18,607 | 16,757 |
| Gen., selling and adm. | 43,023 | 34,901 |
| Interest exp. (inc.) | 619 | (299) |
| Other income | (1,201) | (301) |
| Income bef. taxes | $ 8,126 | $ 10,194 |
| Income taxes | 3,332 | 4,587 |
| Net Income | $ 4,794 | $ 5,607 |

* Included in Costs and Expenses, Depreciation and Amortization: $3,366,000 in 1988 and $2,040,000 in 1988.

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 5,204 | $ 7,787 |
| Accts. receiv., net | 4,310 | 5,402 |
| *Inventories | 27,527 | 22,214 |
| Deferred catalogue costs | 2,416 | 2,024 |
| Prepaid expenses | 2,739 | 1,997 |
| Current Assets | $ 42,196 | $ 39,024 |

| | | |
|---|---|---|
| #Fixed assets | 19,097 | 15,701 |
| Total Assets | $ 61,293 | $ 54,725 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Cap. lease oblig., curr. | $ 70 | $ 56 |
| Accts. payable & accruals | 25,199 | 23,399 |
| Income taxes | 3,654 | 4,676 |
| Deferred revenue | 1,683 | 1,312 |
| Curr. Liabilities | $ 30,606 | $ 29,443 |
| Cap. lease oblig. | 78 | 148 |
| Deferred inc. taxes & other credits | 1,430 | 720 |
| +Common stock | 82 | 83 |
| Add. paid-in capital | 10,686 | 10,715 |
| Retained earnings | 18,427 | 13,669 |
| Stock subscrip. receiv. | (16) | (53) |
| Total Liabilities & Shareholders' Equity | $ 61,293 | $ 54,725 |

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.28 | 6.34 |
| %Net Income to Sales | 2.52 | 3.49 |
| %Net Income to Equity | 16.43 | 22.97 |
| Sales to Inventories | 6.90 | 7.85 |
| Debt to Equity | 0.01 | 0.01 |
| Working Capital | $ 11,590,000 | $ 9,581,000 |
| Current Ratio | 1.38 | 1.33 |
| Shareholders' Equity | $ 29,179,000 | $ 24,414,000 |

## The Sherwin-Williams Company

101 Prospect Avenue, N.W.
Cleveland, Ohio 44115-1075
(216) 566-2000

**Officers:** J. G. Breen, chairman of the board & chief executive officer; T. A. Commes, president & chief operating officer; Thomas R. Miklich, sr. v.p.-finance & chief financial officer; Larry J. Pitorak, v.p., secretary & general counsel; John L. Ault, v.p. & controller; Thomas Kroeger, v.p.-human resources; Frances C. Piccirillo, director of taxes & asst. secretary; Conway G. Ivy, v.p. & treasurer; Leonard A. Ward, v.p.-administration; William B. Eldredge, president-International Group; Robert B. Venick, president-Paint Stores Group.

**Directors:** J. G. Breen, chairman; J. A. Attwood, D. W. Calloway, T. A. Commes, R. C. Doban, A. C. Holmes, J. R. Killpack, W. G. Mitchell, R. E. Schey, Leigh Carter, James M. Biggar.

**Business Activities:** Manufacturer and marketer of consumer and industrial coatings, and associated supplies. The Company also operates a nationwide chain of 1,865 Sherwin-Williams paint and wallpaper stores.

**Divisions and Subsidiaries:**

Paint Stores Group
Consumer Division
Automotive Division
Chemical Coatings Division
Sprayon Division
Transportation Services Division
International Group

Sherwin-Williams do Brasil Industria e Comercio Ltda.
Sao Paulo, Brazil

Sherwin-Williams Canada, Inc.
Gravenhurst, Canada

Sherwin-Williams (Caribbean) N.V.
Curacao

Sherwin-Williams (West Indies) Limited
Kingston, Jamaica

Sherwin-Williams Foreign Sales Corporation Ltd.
Charlotte Amalie, Virgin Islands

Sherwin-Williams Automotive Finishes, Inc.
Mississauga, Canada

Compania Sherwin-Williams S.A. de C.V.
Mexico City, D.F., Mexico

Sherwin-Williams Cayman Islands Ltd.
Grand Cayman

The Sherwin-Williams Co. Resources Ltd.
Kingston, Jamaica

Sherwin-Williams de Panama S.A.
Panama City, Panama

Lyons Technological Products Ltd.
United Kingdom

Sherwin-Williams Development Corp.

Contract Transportation Systems Co.
All located in the U.S.A.
Dupli-Color Products Company
Lyons Transportation Lines, Inc.
P-Y Transport, Inc.
Certified Distribution Services, Inc.
SWDC (Virginia), Inc.
Western Automotive Finishes Company

**Transfer Agent(s):**

AmeriTrust Company N.A.
Cleveland, Ohio

**Stock Exchange(s):** New York

**Ticker Symbol:** SHW

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,865 | 1985 | 2,070 |
| 1987 | 1,829 | 1984 | 1,958 |
| 1986 | 1,719 | | |

**Sales & Earnings**

| | Net Sales † (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 1,950,000 | $ 101,080 |
| 1987 | 1,801,000 | 96,577 |
| 1986 | 1,558,000 | 105,952 |
| 1985 | 1,526,000 | 74,638 |
| 1984 | 1,454,000 | 65,006 |

| | No. of Com. Shares ‡ | Earn. per Share + |
|---|---|---|
| 1988 | 43,915,000 | $ 2.30 |
| 1987 | 44,838,000 | 2.15 |
| 1986 | 45,785,000 | 2.31 |
| 1985 | 46,222,000 | 1.61 |
| 1984 | 45,850,000 | 1.42 |

† Of continuing operations only.
‡ Based on the average number shares of common stock outstanding adjusted to reflect stock split.
+ Based on the average number of shares outstanding after adjusting net income for dividend requirements of preferred stock adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.64 | — | — |
| 1987 | 0.56 | — | |
| 1986 | 0.50 | — | — |
| 1985 | 0.46 | — | 2-for-1 |
| 1984 | 0.38 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1988 | $ 601,251,000 | $ 13.97 |
| 1987 | 549,685,000 | 12.57 |
| 1986 | 491,569,000 | 11.15 |
| 1985 | 465,367,000 | 10.10 |
| 1984 | 404,140,000 | 8.97 |

# Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended Dec 31. | 1988 | 1987 |
|---|---|---|
| Net sales | $ 1,950,474 | $ 1,800,580 |
| Cost of sales | 1,186,846 | 1,066,735 |
| Expenses | 628,574 | 579,067 |
| Interest expense | 14,253 | 17,757 |
| Interest income | (12,752) | (12,803) |
| Other income | (29,487) | (11,388) |
| Income bef. taxes | $ 163,040 | $ 161,212 |
| Income taxes | 61,960 | 67,407 |
| Inc.-cont. oper. | $ 101,080 | $ 93,805 |
| Inc.-discont. oper. | — | 2,772 |
| Net Income | $ 101,080 | $ 96,577 |

* Included in Costs and Expenses, Depreciation and Amortization: $36,865,000 in 1988 and $34,510,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & Short-term invest. | $ 154,241 | $ 208,530 |
| Accts. receiv., net | 195,726 | 175,676 |
| * Inventories | 322,997 | 281,406 |
| Other curr. assets | 93,174 | 90,992 |
| Current Assets | $ 766,138 | $ 756,604 |
| # Fixed assets | 332,598 | 288,862 |
| Deferred pension assets | 135,821 | 121,906 |
| Other assets | 24,152 | 42,153 |
| Total Assets | $ 1,258,709 | $ 1,209,525 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Accts. payable | $ 160,844 | $ 153,494 |
| Compensation & withholding | 49,055 | 48,756 |
| Other accruals | 149,774 | 154,275 |
| Accrued taxes | 18,316 | 26,851 |
| Curr. Liabilities | $ 377,989 | $ 383,376 |
| Long-term debt | 129,604 | 141,387 |
| Deferred income taxes | 92,242 | 92,595 |
| Other liabilities | 57,623 | 42,482 |
| + Common stock | 47,939 | 47,603 |
| Add. paid-in capital | 132,621 | 127,164 |
| Retained earnings | 352,764 | 479,640 |
| Foreign curr. translation adj. | (13,218) | (12,689) |
| Treasury stock | (118,855) | (92,033) |
| Total Liabilities & Shareholders' Equity | $ 1,258,709 | $ 1,209,525 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 8.36 | — |
| %Net Income to Sales | 5.18 | — |
| %Net Income to Equity | 16.81 | 17.57 |
| Sales to Inventories | 6.04 | 6.40 |
| Debt to Equity | 0.22 | 0.26 |
| Working Capital | $ 388,149,000 | $ 473,228,000 |
| Current Ratio | 2.03 | 2.67 |
| Shareholders' Equity | $ 601,251,000 | $ 549,685,000 |

## Silk Greenhouse, Inc.

1401 Tampa East Boulevard
Tampa, Florida 33619
(813) 622-7886

**Officers:** Jere L. Bradwell, chairman of the board & president; D. Von Adkins, exec. v.p. & secretary; Roy Stearns, sr. v.p.-merchandising; Stuart G. Lasher, chief financial officer; James R. Clark, v.p.-real estate; Rosemary Rivers, v.p.-stores.

**Directors:** Jere L. Bradwell, chairman; D. Von Adkins, Stuart G. Lasher, James R. Clark, Donald W. Burton, William J. Schiffmo.

**Business Activities:** Operates 30 warehouse-style stores offering customers a broad selection of artificial flowers, plants and natural wood trunk trees, as well as related decorating accessories, under the name "Silk Greenhouse" in seven states primarily in the South.

**Transfer Agent(s):**

Citizens & Southern Trust Company
Investor Services
P.O. Box 105555
Atlanta, Georgia 30348-5555

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SGHI (NASDAQ)

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1989 | 30 | 1986 | 7 |
| 1988 | 30 | 1985 | 4 |
| 1987 | 13 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 55,211,000 | $ 3,700,000 |
| 1988 | 21,710,000 | 1,343,000 |
| 1987 | 7,903,000 | 509,000 |
| 1986 | 3,570,000 | 261,000 |
| 1985 | 1,318,000 | 46,000 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1989 | 4,610,000 | $ 0.81 |
| 1988 | 3,686,000 | 0.37 |
| 1987 | 3,571,000 | 0.14 |
| 1986 | 3,566,000 | 0.07 |
| 1985 | 2,525,000 | 0.02 |

† Fully diluted.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 18,113,000 | $ 3.93 |
| 1988 | 2,018,856 | 0.55 |
| 1987 | 875,939 † | 0.25 |
| 1986 | 367,007 † | 0.10 |
| 1985 | 105,965 † | 0.04 |

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account °**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 55,211,000 | $ 21,710,039 |
| Cost of sales | 23,605,000 | 9,429,337 |
| Expenses: | | |
| Store | 21,246,000 | 7,975,680 |
| Gen. and adm. | 3,437,000 | 1,490,923 |
| Interest expense | 956,000 | 406,150 |
| Income before taxes | $ 5,967,000 | $ 2,407,949 |
| Income taxes | 2,267,000 | 1,065,000 |
| Net Income | $ 3,700,000 | $ 1,342,949 |

° Included in Costs and Expenses, Depreciation and Amortization: $843,000 in 1989 and $247,767 in 1988.

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 556,000 | $ 107,778 |
| Accts. receiv., net | 369,000 | 157,972 |
| Refund. inc. taxes | 239,000 | — |
| Due from officers | 659,000 | 18,711 |
| °Inventories | 33,630,000 | 9,063,075 |
| Prepaid expenses | 341,000 | 152,138 |
| Current Assets | $ 35,794,000 | $ 9,499,674 |
| #Fixed assets | 3,692,000 | 1,836,402 |
| Noncompetitive agreement | 814,000 | — |
| Goodwill | 3,622,000 | — |
| Other assets | 399,000 | 227,606 |
| Total Assets | $ 46,321,000 | $ 11,563,682 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 17,214,000 | $ 2,283,660 |
| Long-term debt, curr. | 293,000 | 87,159 |
| Cap. lease oblig. curr. | 129,000 | 70,928 |
| Accts. payable | 5,680,000 | 3,373,052 |
| Accruals | 1,687,000 | 1,032,213 |
| Income taxes | 1,692,000 | 1,004,000 |
| Curr. Liabilities | $ 26,695,000 | $ 7,851,012 |
| Long-term debt | 1,005,000 | 239,410 |
| Cap. lease oblig. | 423,000 | 332,826 |
| Subord. convert. deben. | — | 1,000,000 |
| Deferred inc. taxes | 85,000 | 121,578 |
| +Common stock | 48,000 | 31,373 |
| Add. paid-in capital | 12,531,000 | 124,308 |
| Retained earnings | 5,534,000 | 1,863,175 |
| Total Liabilities & Shareholders' Equity | $ 46,321,000 | $ 11,563,682 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.81 | 11.09 |
| %Net Income to Sales | 6.70 | 6.19 |
| %Net Income to Equity | 20.43 | 66.52 |
| Sales to Inventories | 1.64 | 2.40 |
| Debt to Equity | 1.05 | 1.49 |
| Working Capital | $ 9,099,000 | $ 1,648,662 |
| Current Ratio | 1.34 | 1.21 |
| Shareholders' Equity | $ 18,113,000 | $ 2,018,856 |

## S&K Famous Brands, Inc.

11100 West Broad Street
P.O. Box 31800
Richmond, Virginia 23294-1800
(804) 346-2500

**Officers:** Stuart C. Siegel, chairman & chief exec. officer; Donald W. Colbert, president & chief operating officer; Robert E. Knowles, sr. v.p., chief financial officer, treasurer & secretary; Weldon J. Wirick, III, sr. v.p.-operations; Gregory D. Pearson, sr. v.p.-advertising & marketing; Harry S. Sbendow, sr. v.p. & div. merchandise manager; James D. Moore, Jr., v.p.-operations; Janet L. Jorgensen, v.p. & controller; Kenneth J. Cook, v.p.-real estate.

**Directors:** Stuart C. Siegel, chairman; Robert L. Burrus, Jr., Donald W. Colbert, Andrew M. Lewis, Hyman Meyers, Richard L. Sharp, James C. Wheat, Jr..

**Business Activities:** Operates 60 'S&K Famous Brand Menswear' stores in 14 states throughout the Southeast, Pennsylvania, Indiana, Maine, and New York.

**Transfer Agent(s):**

Sovran Bank, N.A.
Richmond, Virginia

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SKFB (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 60 | 1986 | 51 |
| 1987 | 47 | 1985 | 41 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 43,056,000 | $ 2,149,000 |
| 1987 | 39,062,000 | 1,292,000 |
| 1986 | 36,976,000 | 1,162,000 |
| 1985 | 31,206,000 | 1,271,000 |
| 1984 | 23,117,000 | 1,165,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 2,060,152 | $ 1.04 |
| 1987 | 2,060,152 | 0.63 |
| 1986 | 2,060,152 | 0.56 |
| 1985 | 2,060,152 | 0.62 |
| 1984 | 1,945,872 | 0.60 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 12,738,560 | $ 6.18 |
| 1987 | 10,589,000 | 5.14 |
| 1986 | 9,297,000 | 4.51 |
| 1985 | 8,136,000 | 3.95 |
| 1984 | 6,865,000 | 3.53 |

**Income Account**

| Year ended | 1/30/88 | 1/31/87 |
|---|---|---|
| Net sales | $ 43,056,092 | $ 39,062,199 |
| Cost of sales | 23,368,179 | 22,045,531 |
| Expenses | 15,282,562 | 13,292,949 |
| Depreciation & amortization | 689,188 | 601,620 |
| Interest expense | 693,859 | 539,217 |
| Other expense (income) | (83,507) | 18,057 |
| Income before taxes | $ 3,105,811 | $ 2,564,825 |
| Income taxes | 1,358,000 | 1,273,000 |
| Cum. effect of change in accting. meth. | (401,439) | — |
| Net Income | $ 2,149,250 | $ 1,291,825 |

**Assets**

| As of | 1/30/88 | 1/31/87 |
|---|---|---|
| Cash | $ 131,948 | $ 182,310 |
| Accts. receiv., net | 157,767 | 116,007 |
| °Inventories | 20,078,496 | 12,728,758 |
| Other curr. assets | 475,711 | 463,467 |
| Current Assets | $ 20,843,922 | $ 13,490,542 |

| | | |
|---|---|---|
| #Fixed assets | 7,420,165 | 6,944,471 |
| Other assets | 493,827 | 538,763 |
| Total Assets | $ 28,757,914 | $ 20,973,776 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 235,266 | $ 230,758 |
| Accts. payable | 3,341,559 | 1,717,726 |
| Accrued compensation | 780,074 | 257,966 |
| Income taxes | 297,685 | 377,765 |
| Other current liabilities | 511,562 | 487,412 |
| Curr. Liabilities | $ 5,166,146 | $ 3,071,627 |
| Long-term debt | 9,823,687 | 6,715,818 |
| Deferred inc. taxes | 1,029,521 | 597,021 |
| +Common stock | 2,060,152 | 2,060,152 |
| Add. paid-in capital | 1,941,405 | 1,941,405 |
| Retained earnings | 8,737,003 | 6,587,753 |
| Total Liabilities & Shareholders' Equity | $ 28,757,914 | $ 20,973,776 |

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.21 | 6.57 |
| %Net Income to Sales | 4.99 | 3.31 |
| %Net Income to Equity | 16.87 | 12.20 |
| Sales to Inventories | 2.14 | 3.07 |
| Debt to Equity | 0.79 | 0.66 |
| Working Capital | $ 15,677,776 | $ 10,418,915 |
| Current Ratio | 4.03 | 0.99 |
| Shareholders' Equity | $ 12,738,560 | $ 10,589,310 |

## The Southland Corporation

2828 North Haskell Avenue
Dallas, Texas 75204
(214) 828-7011

Mailing Address:
P.O. Box 719
Dallas, Texas 75221

(Become a privately held company, owned by the shareholders of JT Acquisition Corporation, an affiliate of The Thompson Company, via a leveraged buyout on December 15, 1987.)

**Officers:** John P. Thompson, chairman of the board; Jere W. Thompson, president & chief exec. officer; Walton Grayson, III, exec. v.p.-administration & services; Clark J. Matthews, II, exec. v.p. & chief financial officer; S.R. Dole, exec. v.p.-7-Eleven Stores; Frank J. Gangi, sr. v.p.-finance; Henry T. Stanley, Jr., v.p.-corp. communications; Richard A. Turchi, v.p.-international; Dale H. Allardyce, v.p.-distribution; John F. Antioco, sr. v.p.-marketing, retail; Robert E. Bailey, v.p.-Southern Region; Donald L. Burnside, v.p.-Western Region; Adrian O. Evans, v.p.-Mid-America Region; David M. Finley, v.p.-human resources; Stephen B. Krumholz, v.p.-Northern Region, 7-Eleven Stores; Stephen B. LeRoy, v.p.-Chesapeake Region, 7-Eleven stores; Michael K. Roemer, v.p.-Northeast Region, 7-Eleven Stores; Vernon P. Lotman, controller; David A. Urbel, treasurer.

**Directors:** Jere W. Thompson, John P. Thompson, J. C. Thompson, Jr..

**Business Activities:** Operator and franchisor of self-service convenience stores. As of December 31, 1988, there were 6,905 7-Eleven convenience stores, 73 Quick Mart gasoline and mini-convenience stores and Super-7 self-service gasoline outlets, and 255 High's Dairy Stores. Southland's International Division coordinates the activities of an additional 5,205 7-Eleven and other retail units in the United States, Puerto Rico, Guam, and 14 other countries.

**Divisions:**

Stores Group

General Office
2711 North Haskell Avenue
P.O. Box 719
Dallas, Texas 75221
(214) 828-7011

Southeastern Region
1304 Lee Road
Orlando, Florida 32810
(305) 295-3076

Central Region
2214 Algonquin Road
Rolling Meadows, Illinois 60008
(312) 577-1711

Petroleum Products
17311 Dallas Parkway
P.O. Box 7002
Addison, Texas 75001-2
(214) 931-0261

Southwestern Region
12200 Park Central
Suite 500
Dallas, Texas 75251
(214) 980-8055

Western Region
7839 University Avenue
P.O. Box 698
La Mesa, California 92041
(619) 465-2101

Western Gasoline Division
2444 Moor Park Avenue
Suite 316
San Jose, California 95128
(408) 293-9942

Southland International
2711 N. Haskell Avenue
P.O. Box 719
Dallas, Texas 75221
(214) 828-7815

**Subsidiaries:**

American Service Realty

Citgo Petroleum Corporation (50% owned)
Citgo Caribbean Corporation
Citgo International Supply Company
Citgo International Trading Company
Citgo Pipeline Investment Company
Citgo Pipeline Company
Citijet Corporation
Cityplace Development Corporation
Southland Fuels, Inc.
Foremost Petroleum Company of Texas, Inc.
Petro-Chemical Transport, Inc.
Petro-Chemical Transportation, Inc.
M & A Petroleum Company of Texas, Inc.
Southland International, Inc.
Southland Sales Corporation
7-Eleven Sales Corporation
Svenska 7-Eleven AB

Capitol Milk Producers Cooperative, Inc.
Operates 255 High's Dairy Stores, located primarily in Virginia and Maryland.

**Transfer Agent(s):**

M Bank Dallas, N.A.
P.O. Box 655415
1900 Pacific Avenue
Dallas, Texas 75265-5415

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SLCPC (NASDAQ)* *Merger preferred shares.

**Number of Stores*:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 7,233 | 1985 | 7,519 |
| 1987 | 7,818 | 1984 | 7,473 |
| 1986 | 7,672 | | |

* 7-Eleven stores only.
NOTE: The financial data for the five months ended Dec. 31, 1987, reflect the purchase of the Company by JT Acquisition Corporation, and a resultant new basis of accounting.

**Sales & Earnings**

| | Revenues † ('000's) | Net Income ('000's) |
|---|---|---|
| 12/31/87* | $ 3,211,000 | $ (149,747) |
| 7/31/87+ x | 4,865,400 | 90,078 |
| 12/31/86x | 7,782,700 | 200,445 |
| 12/31/85x | 7,856,700 | 212,535 |
| 12/31/84x | 7,389,400 | 160,252 |

| | No. of Com. Shares | Earn. Per Share # |
|---|---|---|
| 12/31/87* | 200,000,000 | $ — |
| 7/31/87+ x | 48,900,000 | 1.74 |
| 12/31/86x | 48,353,999 | 3.96 |
| 12/31/85x | 47,566,413 | 4.41 |
| 12/31/84x | 47,089,724 | 3.41 |

(Loss)
* 5 months.
+ 7 months.
x Predecessor company.
† Includes franchised stores and other income; of continuing operations only.
# Based on the average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 12/31/87 | $ 0.56 | — | — |
| 7/31/87 | 0.56X | — | |
| 12/31/86x | 1.12 | — | — |
| 12/31/85x | 1.00 | — | — |
| 12/31/84x | 0.92 | — | — |

x Predecessor Company.

**Common Stock Equity**

| | Total Equity ('000's) | Equity Per Share ‡ |
|---|---|---|
| 12/31/87 | $ (150,411) | $ — |
| 7/31/87x | 1,622,954 † | 33.19 |
| 12/31/86x | 1,542,831 † | 31.91 |
| 12/31/85x | 1,371,823 † | 28.84 |
| 12/31/84x | 1,195,687 | 25.39 |

(Deficiency)
x Predecessor company.
† After allowing for preferred stock at liquidation value.

**Income Account * ('000's)**

| Year ended | 12/31/87 (5 months) | 7/31/87 ‡ (7 months) |
|---|---|---|
| Net sales | $ 3,211,018 | $ 4,865,436 |
| Other income | 14,616 | 33,938 |
| Total income | $ 3,225,634 | $ 4,899,374 |

| | | |
|---|---|---|
| Cost of sales | 2,463,896 | 3,853,040 |
| Expenses | 827,006 | 946,491 |
| Prof. sh. plan | 6,926 | 10,844 |
| Interest expense | 163,515 | 45,081 |
| Gain from sale of half-int. in Citgo | — | (23,254) |
| Income (loss) before taxes | $ (235,709) | $ 67,172 |
| Income taxes (credit) | (71,785) | 31,410 |
| Eq. in earn. of Citgo | (14,177) | (39,131) |
| Inc. (loss)-cont. oper. | $ (149,747) | $ 74,893 |
| Inc.-discont. oper. | — | 15,185 |
| Net Income (Loss) | $ (149,747) | $ 90,078 |

° Included in Costs and Expenses, Depreciation and Amortization: $91,582,000 in the period ending 12/31/87 and $113,793,000 in the period ending 7/31/87.
‡ Predecessor company.

**Assets**
(000's)

| As of | 12/31/87 | 12/31/86 † |
|---|---|---|
| Cash and cash investments | $ 16,090 | $ 71,197 |
| Accts. & notes receiv., net | 152,010 | 112,476 |
| °Inventories | 307,370 | 328,847 |
| Deposits & prepaid expenses | 28,752 | 43,877 |
| Investment in prop. | — | 24,400 |
| Bus. units to be divested | 353,101 | 323,552 |
| Other assets held for sale | 283,815 | — |
| Current Assets | $ 1,137,138 | $ 904,349 |
| Investment in Citgo | 380,037 | 286,584 |
| #Fixed assets | 2,344,449 | 2,019,871 |
| Intangibles | 931,309 | — |
| Other assets | 589,220 | 89,643 |
| Total Assets | $ 5,382,153 | $ 3,300,447 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Comm. paper | $ — | $ 215,291 |
| Long-term debt, curr. | 627,344 | 25,761 |
| Accts. payable & accruals | 645,862 | 539,840 |
| Accts. payable to Citgo | 59,474 | 53,318 |
| Income taxes | 589 | 23,975 |
| Curr. Liabilities | $ 1,333,269 | $ 858,185 |
| Long-term debt | 3,978,902 | 622,691 |
| Deferred credits | 102,969 | 151,740 |
| Redeem. pref. stock | 91,288 | — |
| Comm. stock warrants | 26,136 | — |
| +Preferred stock | — | 125,000 |
| ++Common stock | 2,000 | 484 |
| Add. paid-in capital | 14,587 | 676,224 |
| Retained earnings (deficit) | (166,998) | 866,123 |
| Total Liabilities & Shareholders' Equity | $ 5,382,153 | $ 3,300,447 |

† Predecessor company.
° At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value; $4 cumulative convertible exchangeable.
++ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 5.40 |
| Sales to Inventories | 10.45 | 14.80 |
| Debt to Equity | — | 0.39 |
| Working Capital | — | $ 46,164,000 |
| Current Ratio | — | 1.05 |
| Shareholders' Equity (Deficiency) | $ (150,411,000) | $ 1,667,831,000 |

## Spiegel, Inc.

1515 West 22nd Street
Oak Brook, Illinois 60522
(312) 986-8800

(Spiegel Holdings, Inc. holds 97.5% of the Company's Class B Voting common stock.)

**Officers:** Michael Otto, chairman of the board; John J. Shea, president & chief executive officer; Kenneth A. Bochenski, sr. v.p.-operations & information services; Alton M. Withers, sr. v.p. & chief financial officer; Robert E. Conradi, v.p.-merchandise; David C. Moon, v.p.-merchandise; Leo J. Sansone, v.p.-merchandise; Harold S. Dahlstrand, v.p.-human resources; Stanley D. Lisbowitz, v.p.-corp. planning; R. Joseph McLaughlin, v.p.-finance; Michael R. Moran, v.p., secretary & general counsel; Sheila W. Sarovich, v.p.-advertising; Karl A. Steigerwald, v.p.-information services; John L. Semmelhack, v.p.-marketing; Georgia L. Shonk-Simmons, v.p. & corp. fashion director; Joseph A. Stubits, v.p.-credit; John M. Casey, treasurer.

**Directors:** Michael Otto, chairman; John J. Shea, Kenneth A. Bochenski, Hans-Christoph Fischer, Egon Hagen, Horst R. Hansen, Karl-August Hopmann, Max Kullmann, Jay A. Lipe, Peter Mueller, Alton M. Withers.

**Business Activities:** Markets wearing apparel, household furnishings and other general merchandise through catalogs distributed to over 30 million households throughout the U.S. Through Honeybee, Inc., a 74.8%-owned subsidiary, the Company operates 19 retail stores selling medium to upper price, brand-name and designer women's apparel in eight states. Through Eddie Bauer, Inc., the Company operates 80 retail stores in 17 states and two Canadian provinces. These stores offer outdoor-oriented sportswear, footwear and specialty hardware for active men and women. Spiegel, Inc. also operates 10 Ultimate Outlet retail stores in the Chicago area. These stores offer off-price merchandise, primarily composed of Spiegel's overstock inventory. Each of these three retail operations also sells merchandise through mail-order catalogs.

**Subsidiaries:**

Honeybee, Inc.
681 Fifth Avenue
New York, New York 10022
(212) 752-8851

Carn Corporation
1901 S. Meyers Road
Suite 120
Oakbrook Terrace, Illinois 60148

Spiegel Acceptance Corporation
400 West 9th Street
Suite 101
Wilmington, Delaware 19801

**Acquisition:**

Eddie Bauer, Inc.
15010 N.E. 36th Street
Redmond, Washington 98052
(206) 882-6100

**Transfer Agent(s):**

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SPGLA° (NASDAQ) °Class A Non-Voting common stock

**Number of Stores:** (at fiscal year end)

1988 ..... 109 1987 ..... 18

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 1,401,992,000 | $ 56,962,000 |
| 1987 | 1,065,250,000 | 49,211,000 |
| 1986 | 1,002,230,000 | 36,209,000 |
| 1985 | 850,084,000 | 12,962,000 |
| 1984 | 722,807,000 | 2,006,000 |

| | No. of Com. Shares | Earn. per Share † |
|---|---|---|
| 1988 | 51,945,827 | $ 1.18 |
| 1987 | 44,500,000 | 1.22 |
| 1986 | 39,000,000 | 0.92 |
| 1985 | 39,000,000 | 0.33 |
| 1984 | 39,000,000 | 0.05 |

† Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.24 | — | — |
| 1987 | 0.35 | — | — |
| 1986 | 0.14 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 357,616,000 | $ 6.88 |
| 1987 | 237,800,000 | 5.34 |
| 1986 | 129,379,000 | 3.32 |
| 1985 | 108,456,000 | 2.78 |
| 1984 | 95,494,000 | 2.45 |

**Income Account °**
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 1,232,100 | $ 926,835 |
| Finance revenue | 130,116 | 116,055 |
| Other income | 39,776 | 22,360 |
| Total income | $ 1,401,992 | $ 1,065,250 |
| Cost of sales | 803,301 | 605,028 |
| Expenses | 450,027 | 347,966 |
| Interest expense | 56,149 | 40,050 |
| Income before taxes | $ 92,515 | $ 72,206 |
| Income taxes | 35,553 | 31,095 |
| Cum. effect of accntg. change | — | (8,000) |
| Net Income | $ 56,962 | $ 49,111 |

° Included in Costs and Expenses, Depreciation and Amortization: $13,561,000 in 1988 and $8,765,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 14,670 | $ 3,476 |
| Accts. receiv., net | 597,530 | 626,500 |
| °Inventories | 199,390 | 148,732 |
| Prepaid expenses | 32,852 | 29,723 |
| Current Assets | $ 844,442 | $ 808,431 |
| #Fixed assets | 117,480 | 41,840 |
| Other assets | 244,978 | 1,620 |
| Total Assets | $ 1,206,900 | $ 851,891 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 16,500 | $ 12,500 |
| Accts. payable | 122,143 | 94,452 |
| Accrued payroll | 17,042 | 15,447 |
| Other accruals | 55,662 | 17,166 |
| Deferred income taxes | 17,846 | 20,226 |
| Curr. Liabilities | $ 229,193 | $ 159,791 |

| | | |
|---|---|---|
| Long-term debt | 532,000 | 412,500 |
| Deferred income taxes | 88,091 | 41,800 |
| +Common stock: | | |
| Class A | 6,000 | 6,000 |
| Class B | 46,571 | 39,000 |
| Add. paid-in capital | 154,229 | 86,690 |
| Retained earnings | 156,353 | 110,517 |
| Treasury stock | (5,537) | (4,407) |
| Total Liabilities & Shareholders' Equity | $ 1,206,900 | $ 851,891 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.51 | 7.79 |
| %Net Income to Sales | 4.62 | 5.30 |
| %Net Income to Equity | 15.93 | 20.65 |
| Sales to Inventories | 6.18 | 6.23 |
| Debt to Equity | 1.53 | 1.79 |
| Working Capital | $ 615,249,000 | $ 606,840,000 |
| Current Ratio | 3.68 | 4.01 |
| Shareholders' Equity | $ 357,616,000 | $ 237,800,000 |

## The Sporting Life, Inc.

5302 Eisenhower Avenue
P.O. Box 9136
Alexandria, Virginia 22304
(703) 823-1500

**Officers:** Charles B. Howard, II, chairman of the board & president; Richard W. Trimble, exec. v.p.; Thomas K. Wilcher, v.p.-finance and operations & treasurer; John J. Mullenholz, secretary & general counsel.

**Directors:** Charles B. Howard, II, chairman; Thomas K. Wilcher, Ronald Salyer, James R. Alexander, Jeffrey T. Griffin, John J. Mullenholz.

**Areas of Work:** Engaged in the direct marketing of traditional women's apparel and related accessories, and the franchising of eight retail stores under the name "The Sporting Life."

**Transfer Agent(s):**

American Security Bank, N.A.
Washington D.C.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SPLF (NASDAQ)

**Number of Stores:°**

1988 . . . . . 8 1987 . . . . . 9

° Franchised stores only.

**Sales & Earnings**

| | Revenues | Net Income † |
|---|---|---|
| 1988 | $ 12,964,469 | $ (750,530) |
| 1987 | 13,729,646 | 78,388 |
| 1986 | 9,216,772 | 355,715 |
| 1985 | 6,565,312 | 487,379 |
| 1984 | 4,396,546 | 51,765 |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 992,461 | $ — |
| 1987 | 974,303 | 0.08 |
| 1986 | 967,304 | 0.37 |
| 1985 | 576,070 | 0.85 |
| 1984 | 456,762 | 0.12 |

(Loss)
† Including extraordinary gains of $50,000 ($0.05 per share) in 1986, $220,000 ($0.38 per share) in 1985 and $9,000 ($0.02 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |
| 1986 | — | — | — |
| 1985 | — | — | 2.913894-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 2,370,810 | $ 2.39 |
| 1987 | 3,091,340 | 3.17 |
| 1986 | 2,804,802 | 2.90 |
| 1985 | 2,449,087 | 4.25 |
| 1984 | (233,825) | — |

(Deficit)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account °**

| Year ended July 31 | 1988 | 1987 |
|---|---|---|
| Revenues | $ 12,964,469 | $ 13,729,646 |
| Cost of revenues | 10,425,342 | 10,540,754 |
| Expenses | 3,284,9573 | 3,178,449 |
| Loss on dispos. of assets | 187,000 | — |
| Interest expense | 72,464 | 23,674 |
| Interest income | (38,447) | (32,370) |
| Other income | (21,317) | (38,249) |
| Inc. (loss) bef. taxes | $ (945,530) | $ 57,388 |
| Tax credit | (195,000) | (21,000) |
| Net Income (Loss) | $ (750,530) | $ 78,388 |

° Included in Costs and Expenses, Depreciation and Amortization: $311,747 in 1988 and $248,890 in 1987.

**Assets**

| As of July 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 642,487 | $ 534,970 |
| Accts. receiv., net | 438,908 | 773,572 |
| °Inventories | 1,807,420 | 2,462,696 |
| Deferred catalogue costs | 752,778 | 943,485 |
| Prepaid expenses | 79,883 | 74,514 |
| Current Assets | $ 3,721,476 | $ 4,789,237 |
| #Fixed assets | 513,193 | 751,964 |
| Mailing lists | 918,415 | 1,056,095 |
| Other assets | 4,397 | 21,182 |
| Total Assets | $ 5,157,481 | $ 6,618,478 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 169,808 | $ 166,667 |
| Accts. payable | 756,860 | 1,573,299 |
| Cust. deposits | 188,925 | 126,567 |
| Refunds payable | 445,999 | 375,457 |
| Accrued catalogue prod. costs | 586,206 | 794,075 |
| Demand note payable | 500,000 | — |
| Other accruals | 91,818 | 80,646 |
| Deferred income | — | 7,094 |
| Deferred taxes | — | 195,000 |
| Curr. Liabilities | $ 2,739,616 | $ 3,318,805 |
| Notes payable | 47,055 | 208,333 |
| +Common stock | 9,924 | 9,924 |
| Add. paid-in capital | 3,116,272 | 3,116,272 |
| Retained earnings (deficit) | (671,386) | 79,144 |
| Deferred comp. | (84,000) | (114,000) |
| Total Liabilities & Shareholders' Equity | $ 5,157,481 | $ 6,618,478 |

° At lower of cost (FIFO) or market.
# Less acumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Revenues | — | 0.42 |
| %Net Income to Revenues | — | 0.57 |
| %Net Income to Equity | — | 2.54 |
| Debt to Equity | 0.09 | 0.12 |
| Working Capital | $ 981,860 | $ 1,470,432 |
| Current Ratio | 1.36 | 1.44 |
| Shareholders' Equity | $ 2,370,810 | $ 3,091,340 |

## Sprouse-Reitz Stores Inc.

P.O. Box 8996
1411 S.W. Morrison Street
Portland, Oregon 97208-8996
(503) 224-8220

**Officers:** Robert A. Sprouse, II, president & chief exec. officer; Michael D. Mulholland, v.p.-finance & chief financial officer; James L. Goss, v.p.-administration; Jerol C. Downer, v.p.-store operations; John E. Sprouse, v.p.-merchandising & secretary; Daniel A. Larson, v.p.-human resources.

**Directors:** J. A. Sprouse, Frederick H. Torp, Robert A. Sprouse, II, John E. Sprouse, Ken L. Harrison, Peter F. Bechen.

**Business Activities:** Operates a chain of variety stores in Oregon, Washington, California, Utah, Montana, Texas, Nevada, New Mexico, Arizona, Idaho and Wyoming.

**Transfer Agent(s):**

Corporate Trust Department
U.S. National Bank of Oregon
P.O. Box 3850
Portland, Oregon 97208

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** STRS (NASDAQ)

**Number of Stores:** (at fiscal year end)

1988 . . . . . 310 1985 . . . . . 322
1987 . . . . . 313 1984 . . . . . 317
1986 . . . . . 321

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 215,941,030 | $ (998,304) |
| 1987 | 218,578,224 | 1,348,559 |
| 1986 | 205,652,397 | 2,477,274 |
| 1985 | 202,793,310 | 3,520,571 |
| 1984 | 182,665,648 | 4,941,967 |

## Sprouse-Reitz Stores Inc.

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1988 | 1,433,978 | $ — |
| 1987 | 1,433,979 | 0.94 |
| 1986 | 1,433,979 | 1.73 |
| 1985 | 1,438,665 | 2.45 |
| 1984 | 1,434,120 | 3.45 |

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

### Common Stock

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ — | — | — |
| 1987 | 0.60 | — | |
| 1986 | 0.60 | — | — |
| 1985 | 0.65 | — | 10-for-1 |
| 1984 | 0.60 | — | — |

‡ Adjusted to reflect stock split.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 58,508,000 | $ 40.80 |
| 1987 | 59,506,239 | 41.50 |
| 1986 | 59,018,068 | 41.16 |
| 1985 | 57,401,182 | 39.90 |
| 1984 | 54,825,914 | 38.23 |

‡ Adjusted to reflect stock split.

### Income Account *

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 215,941,030 | $ 218,578,224 |
| Cost of sales | 160,748,515 | 164,062,973 |
| Expenses | 56,488,593 | 53,513,494 |
| Interest expense | 1,314,877 | 1,235,412 |
| Interest income | (227,651) | (241,050) |
| Other income | — | (22,603) |
| Income (loss) bef. taxes | $ (2,383,304) | $ 29,998 |
| Tax credit | (1,385,000) | (155,000) |
| Cum. effect of change in accntg. meth. | — | (1,163,561) |
| Net Income (Loss) | $ (998,304) | $ 1,348,559 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,783,419 in 1988 and $2,365,923 in 1987.

### Assets

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 8,458,655 | $ 3,083,515 |
| Receiv., net | 2,718,449 | 3,700,614 |
| *Inventories | 64,572,270 | 68,401,560 |
| Prepaid expense | 613,790 | 551,208 |
| Deferred tax asset | 702,253 | 486,253 |
| Current Assets | $ 77,065,417 | $ 76,223,150 |
| Leased property under cap. leases | 2,489,174 | 2,631,722 |
| #Fixed assets | 21,176,179 | 17,690,157 |
| Other assets | 1,277,033 | 780,124 |
| Total Assets | $ 102,007,803 | $ 97,325,153 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, & cap. lease oblig., curr. | $ 244,600 | $ 279,000 |
| Accts. payable | 20,595,200 | 14,996,156 |
| Accruals | 5,173,273 | 5,654,626 |
| Curr. liabilities | $ 26,013,073 | $ 20,929,782 |
| Long-term debt | 11,161,234 | 10,843,741 |
| Deferred tax credits | 342,637 | 470,780 |
| Deferred inc. taxes | 3,616,956 | 3,147,956 |
| Cap. lease oblig. | 2,365,978 | 2,426,655 |
| +Common stock: | | |
| Voting | 3,376,900 | 3,374,300 |
| Nonvoting | 10,962,880 | 10,965,490 |
| Retained earnings | 44,168,145 | 45,166,449 |
| Total Liabilities & Shareholders' Equity | $ 102,007,803 | $ 97,325,153 |

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation and amortization.
+ $10 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 0.01 |
| %Net Income to Sales | — | 0.62 |
| %Net Income to Equity | — | 2.27 |
| Sales to Inventories | 3.34 | 3.20 |
| Debt to Equity | 0.24 | 0.23 |
| Working Capital | $ 51,052,344 | $ 55,293,368 |
| Current Ratio | 2.96 | 3.64 |
| Shareholders' Equity | $ 58,507,925 | $ 59,506,239 |

## Standard Brands Paint Company

4300 West 190th Street
Torrance, California 90509-2956
(213) 214-2411

**Officers:** Stuart D. Buchalter, chairman of the board & chief executive officer; Marvin Wager, president & chief operating officer; Eric Beck, exec. v.p.; Paul M. Ozawa, v.p., treasurer & chief accounting officer; Dan Bane, v.p.-corp. finance & chief financial officer; Wallace Steadman, v.p.-human resources; Vince D'Acchioli, v.p.-corp. services; Dorothy Cvetas, secretary.

**Directors:** Irwin R. Buchalter*, Marvyn Carton, Richard H. Loeffler*, Marvin Wager*, Stuart D. Buchalter*, Eric Beck*, Gerald M. Lushing*, Linda Wachner, Wayne H. Fisher.

* Member of the Executive Committee

**Business Activities:** Owns and operates 134 retail paint and decorating centers in eight western states. Operates eight art materials retail stores in California and Colorado, under the name of The Art Store. Also manufactures paint and paint products.

**Subsidiaries:**

Major Paint Company
4300 West 190th Street
Torrance, California 90509
(213) 542-5901
Produces paint and paint products.

Zynolyte Products Company
Carson, California
Distributes lines of aerosol spray and specialty paint products.

The Art Store

**Transfer Agent(s):**

City National Bank
Beverly Hills, California

**Stock Exchange(s):** New York

**Ticker Symbol:** SBP

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 142 | 1984 | 124 |
| 1986 | 148 | 1983 | 116 |
| 1985 | 133 | | |

### Sales & Earnings

| | Net Sales ‡ | Net Income ‡ |
|---|---|---|
| 1988 | $ 305,475,000 | $ 5,400,000 |
| 1987 | 297,203,000 | 15,007,000 |
| 1986 | 310,061,000 | 15,808,000 |
| 1985 | 293,363,000 | 20,779,000 |
| 1984 | 274,249,000 | 18,575,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ † |
|---|---|---|
| 1988 | 10,760,000 | $ 0.47 |
| 1987 | 11,262,000 | 1.33 |
| 1986 | 11,271,000 | 1.40 |
| 1985 | 11,140,000 | 1.87 |
| 1984 | 11,081,000 | 1.68 |

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.
† Including extraordinary loss of $1,041,000 ($0.01 per share in 1988).

### Common Stock

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.445 | — | — |
| 1987 | 0.575 | — | |
| 1986 | 0.555 | — | — |
| 1985 | 0.53 | — | — |
| 1984 | 0.4875 | — | 2-for-1 |

+ Adjusted to reflect stock split.

### Common Stock Equity

| | Tangible Stockholders' Equity | Equity Per Share † |
|---|---|---|
| 1988 | $ 25,671,000 | $ 4.53 |
| 1987 | 168,729,000 | 15.26 |
| 1986 | 166,050,000 | 14.69 |
| 1985 | 153,816,000 | 13.79 |
| 1984 | 138,625,000 | 12.46 |

† Adjusted to reflect stock split.

### Income Account * (000's)

| Year ended Sept. 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 305,475 | $ 297,203 |
| Cost of sales | 166,076 | 164,347 |
| Expenses | 111,052 | 102,331 |
| Oper. profit | $ 28,347 | $ 30,525 |
| Interest income | (1,971) | (2,093) |
| Interest expense | 6,434 | 3,593 |
| Other income | (325) | (399) |
| Restruc. charges | 7,272 | — |
| Income before taxes | $ 16,937 | $ 29,424 |
| Income taxes | 8,181 | 13,088 |
| Inc.-cont. oper | $ 8,756 | $ 16,336 |
| Loss-discont. oper. | (2,315) | (1,329) |
| Net Income | $ 6,441 | $ 15,007 |
| Extraord. loss | (1,041) | — |
| Net Income & Extraord. loss | $ 5,400 | $ 15,007 |

### Assets (000's)

| As of Sept. 30 | 1988 | 1987 |
|---|---|---|
| Cash & short-term invest. | $ 3,696 | $ 14,417 |
| Receiv., net | $ 13,687 | 9,783 |
| *Inventories | 70,358 | 72,000 |
| Prepaid expenses | 18,185 | 11,100 |
| Current Assets | $ 105,926 | $ 107,300 |

| | | |
|---|---|---|
| #Fixed assets | 145,135 | 138,229 |
| Other assets | 7,959 | 7,124 |
| Total Assets | $ 259,020 | $ 252,653 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,206 | $ 3,989 |
| Note payable | 1,000 | 4,000 |
| Accts. payable & accruals | 33,540 | 29,146 |
| Curr. Liabilities | $ 36,746 | $ 37,135 |
| Long-term debt | 185,693 | 36,002 |
| Def. inc. taxes | 6,830 | 7,103 |
| +Preferred stock | 1 | — |
| ++Common stock | 57 | 11,182 |
| Add. paid-in capital | 11,970 | 4,948 |
| Retained earnings | 34,292 | 158,858 |
| Treasury stock | (906) | (2,575) |
| Receivables | (15,663) | — |
| Total Liabilities & Shareholders' Equity | $ 259,020 | $ 252,653 |

° At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; 10% cumulative
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 21.65 | 8.70 |
| Sales to Inventories | 4.34 | 4.13 |
| Debt to Equity | 6.35 | 0.26 |
| Working Capital | $ 69,180,000 | $ 70,165,000 |
| Current Ratio | 2.88 | 2.89 |
| Shareholders' Equity | $ 29,751,000 | $ 172,413,000 |

## Standex International Corporation

6 Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701

**Officers:** Daniel E. Hogan, chairman of the board; Thomas L. King, president & chief exec. officer; Warren S. Cooper, vice chairman; Samuel S. Dennis, III, v.p.; Sam G. Grillo, exec. v.p.-operations; John M. Wall, v.p.-industrial relations & corporate communications; John J. Bentley, controller; Thomas H. DeWitt, exec. v.p.-administration & general counsel; Norman B. Asher, asst. secretary; Lindsey M. Sedwick, treasurer; Deborah A. Rosen, asst. secretary & sr. corp. attorney; Tom L. Peterson, corp. counsel & secretary; Robert R. Kettinger, asst. controller; Kenneth Foden, asst. controller-Europe.

**Directors:** Daniel E. Hogan°, chairman; John Bolten, Jr., William Brewster, William L. Brown°, Warren S. Cooper°, Samuel S. Dennis, III°, Thomas L. King°, John Hill, C. Kevin Landry, Sol Sackel, Daniel B. Hogan, H. Nicholas Muller, III, , Sam G. Grillo, Thomas H. DeWitt.

° Member of the Executive Committee

**Business Activities:** The Electronics Group manufactures electronic components, inductors, capacitors, connectors, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems; ducting for heating, air-conditioning, and ventilation systems; power metal spinning of components for aerospace, energy systems, and industrial applications. The Institutional Products Group manufactures patient-feeding systems, handblown glassware, barbecuing and baking equipment, candlelamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, casters and wheels, and food racks, cabinets and carts. The Graphics/Mail Order Group publishes religious literature and manufactures election supplies; manufactures commercial printing products and educational materials and specialized binding systems; operates a chain of 17 Berean religious retail bookstores; and sells grapefruit and other gift packages and fund-raising supplies through other mail order operations.

**Transfer Agent(s):**

The First National Bank of Boston
P.O. Box 1619
Boston, Massachusetts 02102

**Stock Exchange(s):** New York

**Ticker Symbol:** SXI

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 17 | 1985 | 43 |
| 1987 | 37 | 1984 | 44 |
| 1986 | 41 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 429,731,701 | $ 13,087,580 |
| 1987 | 409,172,577 | 17,355,000 |
| 1986 | 376,322,000 | 15,593,000 |
| 1985 | 375,275,000 | 18,568,000 |
| 1984 | 378,547,000 | 20,006,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 11,929,000 | $ 1.10 |
| 1987 | 12,350,000 | 1.41 |
| 1986 | 13,040,000 | 1.20 |
| 1985 | 13,601,000 | 1.37 |
| 1984 | 13,854,000 | 1.44 |

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Graphics | $ 114,431 | $ 107,301 |
| Consumer | 42,355 | 49,827 |
| Institutional | 162,196 | 153,479 |
| Electronics | 16,880 | 17,233 |
| Industrial | 93,029 | 80,839 |
| General, corporate & other | 841 | 494 |
| Total | $ 429,732 | $ 409,173 |

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.55 | — | — |
| 1987 | 0.52 | — | — |
| 1986 | 0.52 | — | — |
| 1985 | 0.52 | — | — |
| 1984 | 0.50 | — | 2-for-1 |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 156,429,000 | $ 13.71 |
| 1987 | 159,664,000 | 13.05 |
| 1986 | 146,784,000 | 11.85 |
| 1985 | 147,251,000 | 10.94 |
| 1984 | 144,019,000 | 10.39 |

‡ Adjusted to reflect stock split.

**Income Account**

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 429,731,701 | $ 409,172,577 |
| Other income | 1,108,489 | 967,445 |
| Total income | $ 430,840,190 | $ 410,140,022 |
| Cost of sales | 274,743,132 | 261,413,477 |
| Expenses | 106,751,528 | 104,747,157 |
| Depreciation & amortization | 10,786,831 | 9,690,203 |
| Interest expense | 5,421,518 | 4,622,981 |
| Loss on dispos. of Yield House | 10,715,601 | — |
| Income before taxes | $ 22,421,580 | $ 29,666,204 |
| Income taxes | 9,334,000 | 12,311,000 |
| Net Income | $ 13,087,580 | $ 17,355,204 |

**Assets**

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 12,198,867 | $ 9,411,824 |
| Receiv., net | 63,193,072 | 58,115,306 |
| °Inventories | 85,714,484 | 87,863,587 |
| Prepaid expenses | 3,502,663 | 3,949,520 |
| Current Assets | $ 164,609,086 | $ 159,340,237 |
| #Fixed assets | 83,314,331 | 85,626,721 |
| Receivables | 15,644,502 | 9,491,544 |
| Intangibles | 12,618,739 | 12,529,402 |
| Total Assets | $ 276,186,658 | $ 266,987,904 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable & long-term debt, curr. | $ 9,540,658 | $ 5,340,221 |
| Accts. payable | 25,448,416 | 23,544,482 |
| Accruals | 6,939,593 | 4,735,034 |
| Accrued payroll | 12,376,489 | 12,192,791 |
| Income taxes | 2,728,562 | 3,593,796 |
| Curr. Liabilities | $ 57,033,718 | $ 49,406,324 |
| Long-term debt | 48,786,200 | 45,851,195 |
| Deferred inc. taxes | 11,744,000 | 9,795,000 |
| Other liab. | 2,193,928 | 2,271,625 |
| +Common stock | 20,988,209 | 20,988,209 |
| Add. paid-in capital | 5,629,734 | 5,894,185 |
| Retained earnings | 163,818,152 | 157,263,556 |
| Cum. trans. adjust. | 4,281,748 | 615,137 |
| Treasury stock | (38,289,031) | (25,097,327) |
| Total Liabilities & Shareholders' Equity | $ 276,186,658 | $ 266,987,904 |

° At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.22 | 7.25 |
| %Net Income to Sales | 3.05 | 4.24 |
| %Net Income to Equity | 8.37 | 10.87 |
| Sales to Inventories | 5.01 | 4.66 |
| Debt to Equity | 0.37 | 0.32 |
| Working Capital | $ 107,575,368 | $ 109,933,913 |
| Current Ratio | 2.89 | 3.23 |
| Shareholders' Equity | $ 156,428,812 | $ 159,663,760 |

## State-O-Maine, Inc.

10 West 33rd Street
New York, New York 10001
(212) 244-1111

**Officers:** Milton Weinick, chairman of the board & secretary; Harvey Sanders, president & treasurer; David Chu, pres.-Nautica Apparel, Inc.; Keith Munroe, sr. v.p.-marketing; Sharon Bard, corp. controller.

**Directors:** Milton Weinick, chairman; Harvey Sanders, David Chu, George Greenberg.

**Business Activities:** Operates two men's retail clothing stores in New York, New York, and Costa Mesa, California, under the Nautica name. Also manufactures and distributes men's swimwear, loungewear, robes, and sportswear, and women's outerwear, activewear, and sportswear.

## State-O-Maine, Inc.

**Subsidiaries:**

Van Baalen Pacific Corp.
Nautica Apparel, Inc.
Nautica Retail N.Y., Inc.
Nautica Retail Costa Mesa, Inc.
Nautica Hong Kong Limited

**Transfer Agent(s):**

Harris Trust Company of New York
77 Water Street
New York, New York 10005

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SOME (NASDAQ)

**Number of Stores:**

1989 . . . . . 2 1988 . . . . . 2

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1989 | $ 74,991,070 | $ 5,426,876 |
| 1988 | 55,267,944 | 4,062,108 |
| 1987 | 36,252,833 | 2,087,874 |
| 1986 | 28,925,861 | 1,572,695 |
| 1985 | 26,251,323 | 1,527,556 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1989 | 3,577,433 | $ 1.52 |
| 1988 | 2,864,386 | 1.42 |
| 1987 | 2,610,955 | 0.80 |
| 1986 | 2,598,716 | 0.61 |
| 1985 | 2,580,372 | 0.59 |

+ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | 6-for-5 |
| 1988 | — | — | |
| 1987 | — | — | 6-for-5 |

**Common Stock Equity**

| | Total Equity | Equity Per Share# |
|---|---|---|
| 1989 | $ 32,506,762 | $ 9.09 |
| 1988 | 16,224,345 | 5.66 |
| 1987 | 9,955,179 | 3.81 |
| 1986 | 7,856,955 | 3.03 |
| 1985 | 6,240,710 | 2.42 |

# Adjusted to reflect stock splits.

**Income Account ***

| Year ended Feb. 28 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 74,991,070 | $ 55,267,944 |
| Cost of sales | 46,230,798 | 34,013,363 |
| Expenses | 18,818,634 | 13,268,871 |
| Interest expense | 609,136 | 879,021 |
| Other income | (332,580) | (354,560) |
| Income before taxes | $ 9,665,082 | $ 7,461,249 |
| Income taxes | 4,238,206 | 3,383,285 |
| Minority interest | — | 15,856 |
| Net income | $ 5,426,876 | $ 4,062,108 |

* Included in Costs and Expenses, Depreciation and Amortization: $743,456 in 1989 and $540,466 in 1988.

**Assets**

| As of Feb. 28 | 1989 | 1988 |
|---|---|---|
| Cash | $ 1,498,385 | $ 940,023 |
| Accts. receiv., net | 14,091,900 | 7,784,036 |
| *Inventories | 8,376,522 | 9,377,272 |
| Prepaid expenses | 1,561,987 | 934,461 |
| Other curr. assets | 1,713,700 | 1,514,427 |
| Purchased quota | 194,257 | 194,257 |
| Deferred tax benefit | 576,320 | 228,900 |
| Current Assets | $ 28,013,071 | $ 20,973,346 |
| #Fixed assets | 6,932,258 | 4,589,596 |
| Other assets | 3,167,088 | 3,215,613 |
| Total Assets | $ 38,112,417 | $ 28,778,585 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ — | $ 6,473,000 |
| Long-term debt, curr. | 67,333 | 380,333 |
| Accts. payable | 1,374,682 | 1,327,959 |
| Accruals | 2,899,262 | 2,192,864 |
| Income taxes | 275,181 | 367,764 |
| Curr. Liabilities | $ 4,616,458 | $ 10,741,920 |
| Long-term debt | 619,337 | 1,532,920 |
| Def. inc. taxes | 369,860 | 279,400 |
| + Common stock | 391,903 | 247,587 |
| Add. paid-in capital | 13,381,408 | 3,157,222 |
| Common stock options outstanding | 2,352,108 | 1,832,000 |
| Retained earnings | 18,067,468 | 12,640,592 |
| Treasury stock | (64,707) | (65,322) |
| Def. comp. on stock options | (1,621,418) | (1,587,734) |
| Total Liabilities & Shareholders' Equity | $ 38,112,417 | $ 28,778,585 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 12.89 | 13.50 |
| %Net Income to Sales | 7.24 | 7.35 |
| %Net Income to Equity | 16.69 | 25.04 |
| Sales to Inventories | 8.95 | 5.89 |
| Debt to Equity | 0.02 | 0.12 |
| Working Capital | $ 23,396,613 | $ 10,231,456 |
| Current Ratio | 6.07 | 1.95 |
| Shareholders' Equity | $ 32,506,762 | $ 16,224,345 |

## Steinberg Inc.

2 Place Alexis-Nihon
3500 de Maisonneuve West
Montreal, Quebec, H3Z 1Y3, Canada
(514) 931-9131

**Officers:** Melvyn A. Dobrin, chairman of the board; Irving Ludmer, president & chief executive officer; M. William Cleman, pres.-Real Estate Group; Jean-Roch Vachon, pres.-Food Group, Canada; H. Arnold Steinberg, exec. v.p.-finance & development; Michael P. Kershaw, pres.-M. Stores; William D. Hart, v.p., general counsel & secretary; Alain Bilodeau, group v.p.-human resources & industrial relations; Alain Germain, group v.p. & gen. mgr.-Steinberg Restaurant Group; Pierre Brodeur, president & gen. mgr.-Steinberg Quebec; Laurier Carpentier, v.p.-finance & treasurer; Ronald M. Kirshner, president-Ivanhoe; Marcel Croux, v.p.-systems & chief information officer; Harry Lutgens, group v.p.-Valdi Foods Inc.; Bernard McDonell, v.p.-real estate (Quebec); Pierre Guilbault, v.p. & comptroller; Ron Christoffer, v.p.-architecture & construction; Harold G. Geraghty, v.p.-development & expansion (Ontario); Douglas R. Long, v.p.-communications; Mark Sellors, asst. treasurer; Michel Beland, assistant secretary.

**Directors:** Andre Charron, J. V. Raymond Cyr*, Gerard Plourde*, H. Arnold Steinberg*, Irving Ludmer*, Marc Lalonde, Norman E. Auerbach*, Melvyn A. Dobrin*, Evelyn S. Alexander, Marilyn S. Cobrin, Guylaine Saucier.

* Member of the Executive Committee

**Business Activities:** Operates food stores in the provinces of Quebec, New Brunswick, and Ontario. Also operates discount department stores under the name of M. Stores. Other businesses include restaurants, flour milling, bakery and food processing operations, with restaurant activities in Manitoba, and box stores in Ontario, Manitoba, Saskatchewan and Alberta.

**Divisions:**

Steinberg Quebec
5400 Hochelaga Street
Montreal, Quebec H1N 1V9, Canada
(514) 252-7765
Operates 109 food stores in Quebec and eastern Ontario.

Ontario Supermarket Division
65 Rexdale Boulevard
Etobicoke, Ontario M9W 1P2, Canada
(416) 747-3000
Operates 69 food stores in southern and northwestern Ontario.

Trillium Meats
71 Rexdale Boulevard
Etobicoke, Ontario M9W 1P2, Canada
(416) 747-3000
Wholesale operations and Steinberg Distribution.

Steinberg Restaurant Group
3500 De Maisonneuve West
2, Alexis Nihon Plaza
Westmount, Quebec H3Z 1Y3, Canada
(514) 931-9131
Operates 240 fast food restaurants, including franchised units.

**Subsidiaries:**

M. Stores Inc.
5151 Thimens Boulevard
Ville St.-Laurent Avenue
Montreal H4R 2C8, Quebec, Canada
(514) 333-6111
Operates 20 department stores in Quebec and Ontario.

Smitty's Super Valu, Inc.
2626 South Seventh Street
Phoenix, Arizona 85034
(602) 262-1000
Operates 25 supermarket-department stores in the U.S. Southwest.

Valdi Foods (1987) Inc.
155 Rexdale Blvd.
Etobicoke, Ontario, M9W 5Z8, Canada
(416) 744-2260
Operates 74 food stores, primarily under the name "Valdi Foods."

Ivanhoe Inc.
3500 De Maisonneuve West
2 Alexis Nihon Plaza
Westmount, Quebec H3Z 1Y3, Canada
(514) 931-9131
Engaged in ownership and development of shopping centers.

Oak Pharmacies Limited
65 Rexdale Boulevard
Etobicoke, Ontario M9W 1P2, Canada
(416) 747-3000
Operates the pharmacy sections of 11 Ultra-Mart and the Xtra food/drug stores in Ontario.

Franchises 5-16-11 (1988) Inc.
P.O. Box 310
Westmount Station
Westmount, Quebec, H3Z 2T5, Canada
(514) 934-7798
Develops and franchises "Les 5 Saisons" premium quality perishable food stores in Quebec.

Aligro Inc.
733 Smith Boulevard South
Thetford-Mines, Quebec, G6G 6K4, Canada
(418) 338-4545
Operates cash-and-carry centers, food distribution centers, affiliated, independent and retail food stores in Quebec and eastern New Brunswick.

Salisbury House
Operates coffee shops in Winnipeg.

**Transfer Agent(s):**

Montreal Trust Company
Montreal, Halifax, Toronto, Winnipeg, Regina, Calgary & Vancouver, Canada.

**Stock Exchange(s):** Toronto, Montreal

**Ticker Symbol:** SBG

**Number of Stores:**

| | Super-markets | Dept. Stores |
|---|---|---|
| 1988 | 200 | 20 |
| 1987 | 217 | 21 |
| 1986 | 227 | 31 |
| 1985 | 239 | 31 |
| 1984 | 241 | 32 |

| | Restau-rants* | Grocery Stores |
|---|---|---|
| 1988 | 159 | 69 |
| 1987 | 154 | 66 |
| 1986 | 162 | 66 |
| 1985 | 173 | 66 |
| 1984 | 189 | 88 |

*Excludes franchised units.

**Sales & Earnings +**

| | Net Sales † (000') | Net Income x (000's) |
|---|---|---|
| 1988 | $ 4,584,685 | $ (17,011) |
| 1987 | 4,491,355 | 66,926 |
| 1986 | 4,041,948 | 38,938 |
| 1985 | 3,801,247 | 73,634 |
| 1984 | 3,341,580 | 15,021 |

| | No. of Com. Shares ‡ | Earn. per Share x‡ |
|---|---|---|
| 1988 | 21,152,722 | $ — |
| 1987 | 19,546,702 | 2.87 |
| 1986 | 16,772,376 | 1.51 |
| 1985 | 16,752,576 | 4.19 |
| 1984 | 14,252,576 | 0.24 |

(Loss)
+ In Canadian dollars.
† Includes operating revenues.
x Including extraordinary gain of $8,457,000 ($0.45 per share) in 1987 and extraordinary loss of $4,099,000 in 1988.
‡ Based on class A and Common Shares combined adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend# | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.50 | — | — |
| 1987 | 0.50 | — | |
| 1986 | 0.50 | — | — |
| 1985 | 0.50 | — | 2-for-1 |
| 1984 | 0.50 | — | — |

# Paid on Class A and common stock adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity ‡ | Equity Per Share ‡ ‡ |
|---|---|---|
| 1988 | $ 519,931,000 | $ 24.58 |
| 1987 | 541,133,000 | 27.68 |
| 1986 | 401,446,000 | 23.93 |
| 1985 | 382,059,000 | 22.81 |
| 1984 | 276,250,000 | 19.38 |

‡ After allowing for cum. redeem. preferred shares, series A at par value of $100; second preferred shares, series one and two, at par value of $25; second preference shares, series A at redemption value of $25 and series B at stated value (U.S. $25); third preferred shares, series I at redemption value of $30.24; fourth preferred shares, series I at stated value of $3 per share and series II at redemption value of $100,000 per share.
‡ ‡ Based on Class A and common stock combined adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 7/30/88 | 7/25/87 |
|---|---|---|
| Net sales & oper. rev. | $ 4,584,685 | $ 4,491,355 |
| Cost of sales & expenses | 3,701,054 | 3,591,884 |
| Wages & empl. benefits | 719,220 | 717,817 |
| Rentals | 39,375 | 40,230 |
| Depreciation & amortization | 69,606 | 54,391 |
| Interest exp. | 52,452 | 45,335 |
| Loss (gain) on disposal of fixed assets | 1,125 | (7,068) |
| Interest income | (15,684) | (20,687) |
| Other income | (11,945) | (16,149) |
| Income (loss) bef. taxes | $ 29,482 | $ 85,602 |
| Income taxes (credit) | (29,625) | 23,577 |
| Minority interest | 999 | 856 |
| Special charge | 71,020 | 2,700 |
| Net Income (Loss) | $ (12,912) | $ 58,469 |
| Extraord. items | (4,099) | 8,457 |
| Net Income (Loss) & Extraord. items | $ (17,011) | $ 66,926 |

**Assets**
(000's)

| As of | 7/30/88 | 7/25/87 |
|---|---|---|
| Cash & invest. | $ 138,765 | $ 162,207 |
| Accts. receiv., net | 83,752 | 90,912 |
| Inc. taxes recov. | 1,291 | — |
| *Inventories | 310,184 | 340,488 |
| Prepaid expenses | 23,777 | 24,450 |
| Current Assets | $ 557,769 | $ 618,057 |
| #Fixed assets-real estate | 226,180 | 202,866 |
| #Fixed assets-retail & mfg. | 491,506 | 423,181 |
| Other assets | 152,630 | 154,049 |
| Def. income taxes | 16,169 | — |
| Total Assets | $ 1,524,633 | $ 1,469,353 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank advances | $ 30,849 | $ — |
| Notes payable | 2,633 | 21,100 |
| Long-term debt, curr. | 14,976 | 29,647 |
| Accts. payable & accruals | 368,973 | 361,101 |
| Dividends payable | 23 | 23 |
| Income taxes | — | 1,356 |
| Def. inc. taxes | 529 | 525 |
| Curr. Liabilities | $ 417,983 | $ 413,752 |
| Long-term debt | 454,103 | 347,611 |
| Minority interest | 2,655 | 2,726 |
| Deferred inc. taxes | — | 15,475 |
| Other liabilites | 24,274 | — |
| +Series A 5.25% preferred | 1,740 | 1,759 |
| ++$1.95 second preferred | 33,753 | 34,881 |
| ++var. rate second preferred | 17,950 | 18,600 |
| +++$2.9375 series A | 34,388 | 35,625 |
| +++U.S. $2.875 series B | — | 20,143 |
| +++$2.72 third preferred | — | 22,125 |
| +++$0.0002 fourth preferred | 14,856 | 15,516 |
| +++$6,000 fourth preferred | 3,000 | — |
| +++Class A | 203,229 | 174,983 |
| +++Common stock | 12,176 | 12,176 |
| Add. paid-in capital | 2,647 | 2,516 |
| Retained earnings | 306,353 | 347,223 |
| Cum. trans adj. | (4,474) | 4,235 |
| Total Liabilities Shareholders' Equity | $ 1,524,633 | $ 1,469,353 |

* At lower of cost (retail & average) and net realizable value. U.S. inventories at lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value
+ + $25 par value.
+ + + No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.64 | 1.91 |
| %Net Income to Sales | — | 1.30 |
| %Net Income to Equity | — | 8.48 |
| Debt to Equity | 0.80 | 0.58 |
| Working Capital | $ 139,786,000 | $ 204,305,000 |
| Current Ratio | 1.33 | 1.49 |
| Shareholders' Equity | $ 625,618,000 | $ 689,789,000 |

## Strawbridge & Clothier

801 Market Street
Philadelphia, Pennsylvania 19107-3199
(215) 629-6000

**Officers:** Francis R. Strawbridge, III, chairman of the board; Peter S. Strawbridge, president; G. Stockton Strawbridge, chairman of the exec. committee; Ronald B. Avellino, v.p.-planning, development & research; Richard H. Hall, exec. v.p.-control, operations & personnel; Warren W. White, exec. v.p. & gen. mgr.-Clover Div.; Steven L. Strawbridge, v.p., treasurer & secretary; David W. Strawbridge, v.p.-personnel; Robert G. Muakas, v.p.-stores; William A. Timmons, v.p.-sales promotion; George L. Compton, v.p. & general merch. mgr.; Charles D. Hollander, v.p. & gen. merch. mgr.; Natalie B. Weintraub, v.p. & gen. merch. mgr.; Thomas S. Rittenhouse, v.p. & controller; William A. Rittmayer, v.p.-control & operations, Clover Div.; Louis P. Busico, v.p. & general merchandise manager, Clover Div.; G. Leonard Shea, v.p.-personnel & services, Clover Div.; Robert A. Hoffner, v.p.-stores, Clover Div.; John J. Leahy, v.p. & gen. superintendent; Alice T. Kanigowski, v.p. & general merchandise mgr.-Clover Div..

**Directors:** G. Stockton Strawbridge*, Winthrop deV. Schwab, James M. Gassaway, II, Francis R. Strawbridge, III*, Peter S. Strawbridge*, David W. Strawbridge*, Isaac H. Clothier, IV, Steven L. Strawbridge*, Warren W. White*, Margaret S. Clews, Anne C. Longstreth, Richard H. Hall*, Paul E. Shipley, Thomas B. Harvey, Jr..

* Member of the Executive Committee

**Business Activities:** Operates 13 department stores and 22 discount variety stores in Pennsylvania, New Jersey and Delaware. The department stores operate under the Strawbridge & Clothier name; the discount variety stores operate under the Clover name.

## Strawbridge & Clothier

**Transfer Agent(s):**

Mellon Bank (East) N.A. (preferred stock)
Corporate Trust Division
Four Mellon Bank Center
Philadelphia, Pennsylvania 19102

The Philadelphia National Bank (common stock)
Corporate Trust Administration
P.O. Box 13834
Philadelphia, Pennsylvania 19101

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** STRWA (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 35 | 1985 | 33 |
| 1987 | 34 | 1984 | 33 |
| 1986 | 33 | | |

### Sales & Earnings

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1989 | $ 904,196,000 | $ 27,270,000 |
| 1988 | 814,313,000 | 27,014,000 |
| 1987 | 739,117,000 | 20,692,000 |
| 1986 | 686,929,000 | 24,086,000 |
| 1985° | 630,496,682 | 24,675,406 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1989 | 8,411,709 | $ 3.23 |
| 1988 | 8,364,148 | 3.22 |
| 1987 | 8,333,714 | 2.47 |
| 1986 | 8,184,022 | 2.93 |
| 1985° | 9,738,900 | 2.53 |

° 53 weeks.
‡ Includes leased department sales.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

### Common Stock

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 1.93 | 7% | — |
| 1988 | 1.50 | 7% | — |
| 1987 | 1.04 | 7% | — |
| 1986 | 0.57 | 7% | — |
| 1985 | 0.42 | 7% | 3-for-2 & 2-for-1 |

+ Adjusted to reflect stock dividends and stock splits.

### Common Stock Equity

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1989 | $ 210,761,000 | $ 25.06 |
| 1988 | 190,050,000 | 22.80 |
| 1987 | 167,922,000 | 20.33 |
| 1986 | 151,504,000 | 18.47 |
| 1985 | 130,982,000 | 16.08 |

† Adjusted to reflect stock dividends and stock splits.

### Income Account

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 904,196,000 | $ 814,313,000 |
| Other income | 591,000 | 852,000 |
| Total income | $ 904,787,000 | $ 815,165,000 |
| Cost of sales | 660,412,000 | 592,309,000 |
| Expenses | 150,177,000 | 130,499,000 |
| Depreciation | 21,904,000 | 18,812,000 |
| Pension cost | 1,713,000 | 1,880,000 |
| Interest expense | 22,112,000 | 17,694,000 |
| Prov. for doubtful accts. | 3,443,000 | 5,232,000 |
| Income before taxes | $ 45,026,000 | $ 48,739,000 |
| Income taxes | 17,756,000 | 21,725,000 |
| Net Income | $ 27,270,000 | $ 27,014,000 |

### Assets

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 3,444,000 | $ 1,883,000 |
| Accts. receiv., net | 165,093,000 | 153,278,000 |
| *Inventories | 130,434,000 | 115,022,000 |
| Prepaid expenses | 6,458,000 | 6,719,000 |
| Current Assets | $ 305,429,000 | $ 276,902,000 |
| #Fixed assets | 279,337,000 | 233,508,000 |
| Other assets | 8,512,000 | 7,879,000 |
| Total Assets | $ 593,278,000 | $ 518,289,000 |

### Liabilities

| | | |
|---|---|---|
| Notes payable | $ 34,000,000 | $ — |
| Long-term debt & cap. lease oblig., curr. | 7,971,000 | 6,037,000 |
| Accounts payable | 52,959,000 | 53,082,000 |
| Accruals | 13,710,000 | 12,786,000 |
| Income taxes | 10,172,000 | 14,676,000 |
| Deferred inc. taxes | 7,711,000 | 4,293,000 |
| Curr. Liabilities | $ 126,523,000 | $ 90,874,000 |
| Long-term debt | 154,267,000 | 128,685,000 |
| Cap. lease oblig. | 63,773,000 | 63,351,000 |
| Other liab. | 36,755,000 | 43,945,000 |
| +Redeem pref. stock | 1,199,000 | 1,384,000 |
| ++Common stock | 7,860,000 | 7,321,000 |
| Add. paid-in capital | 97,106,000 | 79,921,000 |
| Retained earnings | 105,795,000 | 103,803,000 |
| Treasury stock | — | (995,000) |
| Total Liabilities & Shareholders' Equity | $ 593,278,000 | $ 518,289,000 |

* At cost (LIFO).
# Less accumulated depreciation.
+ $100 par value; $5 cumulative.
++ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.98 | 5.99 |
| %Net Income to Sales | 3.02 | 3.32 |
| %Net Income to Equity | 12.94 | 14.21 |
| Sales to Inventories | 6.93 | 7.08 |
| Debt to Equity | 1.23 | 1.04 |
| Working Capital | $ 178,906,000 | $ 186,028,000 |
| Current Ratio | 2.41 | 3.05 |
| Shareholders' Equity | $ 210,761,000 | $ 190,050,000 |

## The Stride Rite Corporation

5 Cambridge Center
Cambridge, Massachusetts 02142
(617) 491-8800

**Officers:** Arnold Hiatt, chairman & chief exec. officer; Michael W. Rayden, president & chief operating officer; John J. Phelan, exec. v.p. & treasurer; Michel Y. Ohayon, exec. v.p.-sourcing; Ronald Sykes, sr. v.p.-human resources; Marcia C. Morris, sr. v.p., general counsel, secretary & clerk; John M. Kelliher, corp. controller.

**Directors:** Arnold Hiatt, chairman of the board; John J. Phelan, Walter J. Salmon, Myles J. Slosberg, Michael W. Rayden, Margaret A. McKenna, Donald R. Gant.

**Business Activities:** Manufactures and markets children's footwear under the names Stride Rite, Keds and Zips; boating and recreational shoes under the name Sperry Top-Sider; and casual and athletic footwear for children and adults under the names Keds, Pro-Keds and Grasshoppers. These products are sold through independent retail shoe stores, department stores, sporting goods stores and marinas, as well as through its 201 Stride Rite Bootery stores, and 67 leased departments in leading department stores.

**Subsidiaries:**

Joseph M. Herman Shoe Company, Inc.
The Keds Corporation
Sperry Top-Sider, Inc.
Stride Rite Footwear, Inc.
Stride Rite International, Ltd.
Stride Rite Retail Corp.

**Transfer Agent(s):**

The First National Bank of Boston
Boston, Massachusetts 02102

**Stock Exchange(s):** New York

**Ticker Symbol:** SRR

**Number of Stores:*** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 268 | 1986 | 257 |
| 1987 | 279 | 1985 | 237 |

* Includes leased departments.

### Sales & Earnings

| | Net Sales # | Net Income † |
|---|---|---|
| 1988 | $ 378,788,000 | $ 31,786,000 |
| 1987 | 293,767,000 | 24,121,000 |
| 1986 | 245,317,000 | 17,014,000 |
| 1985 | 237,750,000 | 11,178,000 |
| 1984 | 247,611,000 | 5,420,000 |

| | No. of Com. Shares + | Earn. per Share † ‡ |
|---|---|---|
| 1988 | 13,436,000 | $ 2.31 |
| 1987 | 13,816,000 | 1.60 |
| 1986 | 15,064,000 | 1.12 |
| 1985 | 15,058,000 | 0.74 |
| 1984 | 14,990,000 | 0.36 |

# Of continuing operations only.
† Including extraordinary gain of $489,000 ($0.03 per share) in 1985.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

### Common Stock

| | Cash Dividend‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.550 | — | — |
| 1987 | 0.455 | — | — |
| 1986 | 0.400 | — | — |
| 1985 | 0.400 | — | — |
| 1984 | 0.400 | — | — |

‡ Adjusted to reflect stock split.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 134,030,000 | $ 9.98 |
| 1987 | 119,237,000 | 8.63 |
| 1986 | 122,729,000 | 8.15 |
| 1985 | 111,526,000 | 7.41 |
| 1984 | 105,674,000 | 7.05 |

‡ Adjusted to reflect stock split.

**Income Account** *

| Year ended | 12/2/88 | 11/27/87 |
|---|---|---|
| Net sales | $ 378,788,000 | $ 293,767,000 |
| Cost of sales | 214,047,000 | 166,404,000 |
| Expenses | 106,920,000 | 87,206,000 |
| Invest. income | (1,195,000) | (1,503,000) |
| Interest expense | 1,740,000 | 888,000 |
| Other income | (252,000) | (1,050,000) |
| Income before taxes | $ 57,528,000 | $ 41,822,000 |
| Income taxes | 22,788,000 | 18,095,000 |
| Inc.-cont. oper. | $ 34,740,000 | $ 23,727,000 |
| Inc. (loss)-discont. oper. | (4,677,000) | 394,000 |
| Cum. effect of acct. change | 1,723,000 | — |
| Net Income | $ 31,786,000 | $ 24,121,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $3,933,000 in 1988 and $3,609,000 in 1987.

**Assets**

| As of | 12/2/88 | 11/27/87 |
|---|---|---|
| Cash & cash equivalents | $ 12,643,000 | $ 5,089,000 |
| Marketable securities | — | 19,729,000 |
| Accts. receiv., net | 59,690,000 | 43,523,000 |
| *Inventories | 108,874,000 | 62,019,000 |
| Deferred inc. taxes | 11,691,000 | 10,031,000 |
| Prepaid expenses | 2,466,000 | 3,195,000 |
| Net assets-discont. oper. | 16,236,000 | 25,605,000 |
| Current Assets | $ 211,600,000 | $ 169,191,000 |
| #Fixed assets | 23,301,000 | 18,145,000 |
| Other assets | 6,601,000 | 3,608,000 |
| Intangibles | 1,736,000 | 1,826,000 |
| Total Assets | $ 243,238,000 | $ 192,770,000 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 833,000 | $ 990,000 |
| Short-term borrowings | 29,600,000 | — |
| Accts. payable | 17,417,000 | 12,709,000 |
| Inc. taxes payable | 17,417,000 | 12,709,000 |
| Accruals | 24,999,000 | 19,570,000 |
| Curr. Liabilities | $ 91,622,000 | $ 54,024,000 |
| Long-term debt | 6,667,000 | 8,755,000 |
| Deferred inc. taxes | 10,919,000 | 10,754,000 |
| +Common stock | 7,603,000 | 7,603,000 |
| Add. paid-in capital | 29,870,000 | 29,733,000 |
| Retained earnings | 126,999,000 | 102,683,000 |
| Treasury stock | (30,442,000) | (20,782,000) |
| Total Liabilities & Shareholders' Equity | $ 243,238,000 | $ 192,770,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | 23.72 | 20.23 |
| Sales to Inventories | 3.48 | 4.74 |
| Debt to Equity | 0.28 | 0.08 |
| Working Capital | $ 119,978,000 | $ 115,167,000 |
| Current Ratio | 2.31 | 3.13 |
| Shareholders' Equity | $ 134,030,000 | $ 119,237,000 |

## Stuarts Department Stores, Inc.

45 South Street
Hopkinton, Massachusetts 01748
(508) 435-9711

Mailing address:
P.O. 9101
Hopkinton, Massachusetts 01748-9101

**Officers:** Marc C. Ostrow, chairman; Harry Kohn, Jr., president & chief exec. officer; Earle Spokane, sr. v.p.-finance, chief financial officer & secretary; Anthony J. Cincotta, sr. v.p.-merchandising; David Ferguson, sr. v.p.-operations.

**Directors:** Marc C. Ostrow, chairman; Harry Kohn, Jr., James J. Fuld, Jr., Joseph B. Garb, Martin S. Orland.

**Business Activities:** Operates a chain of discount department stores, with emphasis on apparel, throughout New England.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
New York, New York

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** STUS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 20 | 1986 | 16 |
| 1988 | 20 | 1985 | 11 |
| 1987 | 21 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 130,364,000 | $ 883,000 |
| 1988 | 128,953,000 | 585,000 |
| 1987 | 120,261,000 | 1,251,000 |
| 1986 | 84,887,000 | 2,520,000 |
| 1985* | 63,625,000 | 2,223,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 4,301,126 | $ 0.21 |
| 1988 | 4,386,448 | 0.13 |
| 1987 | 4,329,170 | 0.29 |
| 1986 | 4,081,821 | 0.62 |
| 1985* | 4,019,451 | 0.55 |

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | — |
| 1987 | — | — | — |
| 1986 | — | — | 3-for-2 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 17,551,423 | $ 4.08 |
| 1988 | 16,558,336 | 3.77 |
| 1987 | 15,755,231 | 3.64 |
| 1986 | 14,095,361 | 3.45 |
| 1985 | 8,324,680 | 2.07 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 130,363,640 | $ 128,953,421 |
| Other income | 1,689,422 | 1,793,730 |
| Total income | $ 132,053,262 | $ 130,747,151 |
| Cost of sales | 94,012,114 | 95,158,537 |
| Expenses | 33,416,733 | 33,603,944 |
| Depreciation & amortization | 1,667,340 | 1,372,687 |
| Interest expense | 1,367,534 | 1,122,819 |
| Income (loss) before taxes | $ 1,589,541 | $ (510,836) |
| Income taxes (credit) | 707,000 | (193,419) |
| Cum. effect of accting. change | — | (902,677) |
| Net Income | $ 882,541 | $ 585,260 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 1,635,735 | $ 1,923,225 |
| *Inventories | 26,684,341 | 25,696,082 |
| Inc. tax receiv. | 57,355 | 851,586 |
| Other curr. assets | 1,367,822 | 1,448,396 |
| Current Assets | $ 29,745,253 | $ 29,919,289 |
| #Fixed assets | 7,743,027 | 7,104,941 |
| Leaseholds | 4,788,721 | 5,352,238 |
| Other assets | 350,698 | 498,954 |
| Intangibles | 470,796 | 489,855 |
| Total Assets | $ 43,098,495 | $ 43,365,277 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 8,287,395 | $ 8,599,415 |
| Accrued rev. | 838,073 | 554,722 |
| Other accruals | 3,664,196 | 3,796,715 |
| Curr. Liabilities | $ 12,789,664 | $ 12,950,852 |
| Long-term debt | 11,100,000 | 12,500,000 |
| Deferred inc. taxes | 1,425,288 | 1,030,245 |
| Other liabilities | 232,120 | 325,844 |
| +Common stock | 52,011 | 51,859 |
| Add. paid-in capital | 11,396,504 | 11,278,420 |
| Retained earnings | 7,887,159 | 7,004,618 |
| Treasury stock | (1,784,251) | (1,776,561) |
| Total Liabilities & Shareholders' Equity | $ 43,098,495 | $ 43,365,277 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.22 | — |
| %Net Income to Sales | 0.68 | 0.45 |
| %Net Income to Equity | 5.03 | 3.53 |
| Sales to Inventories | 4.89 | 5.02 |
| Debt to Equity | 0.63 | 0.75 |
| Working Capital | $ 16,955,589 | $ 16,968,437 |
| Current Ratio | 2.33 | 2.31 |
| Shareholders' Equity | $ 17,551,423 | $ 16,558,336 |

## Sunshine-Jr. Stores, Inc.

June Avenue & 17th Street
P.O. Box 2498
Panama City, Florida 32402
(904) 769-1661

**Officers:** Leona J. Lewis, chairman; Lana Jane Lewis-Brent, vice chairman, president & chief executive officer; John Eaves, v.p.-finance & accounting & chief financial officer; Harold Millis, v.p.-construction & maintenance; James Burkhalter, v.p.-gasoline marketing; Patti Woodham, asst. to president/corp. communications; Richard McAllister, v.p.-retail operations; Dwen Ramsey, controller.

**Directors:** Leona J. Lewis, Lana Jane Lewis-Brent, Buford F. Ennis, Roberta Fox, Harold C. Pope, Wilbur Brewton.

**Business Activities:** Owns and operates supermarkets and convenience stores offering self-service gasoline under the names "Sunshine Supermarkets" and "Jr. Food Stores." Units are located in Florida, Alabama, Georgia, Mississippi, and Louisiana.

## Sunshine-Jr. Stores, Inc.

**Divisions:**

Jr. Food Stores
June Avenue & 17th Street
Panama City, Florida 32401
(904) 769-1661

Sunshine Supermarkets
June Avenue & 17th Street
Panama City, Florida 32401
(904) 769-1661

**Transfer Agent(s):**

AmeriTrust Company, N.A.
Cleveland, Ohio 44101

**Stock Exchange(s):** American

**Ticker Symbol:** SJS

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 316 | 1984 | 342 |
| 1986 | 330 | 1983 | 352 |
| 1985 | 340 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1987* | $ 178,385,166 | $ 1,039,323 |
| 1986x | 165,871,175 | 2,736,800 |
| 1985 | 183,087,562 | 2,497,098 |
| 1984 | 181,891,524 | 2,218,687 |
| 1983 | 169,272,584 | 1,817,617 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1987* | 1,701,650 | $ 0.61 |
| 1986x | 1,701,650 | 1.61 |
| 1985 | 1,701,650 | 1.47 |
| 1984 | 1,701,650 | 1.30 |
| 1983 | 1,701,650 | 1.07 |

* 53 weeks.
x Restated to reflect improperly totaled inventory balances.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.48 | — | — |
| 1986 | 0.48 | — | — |
| 1985 | 0.48 | — | — |
| 1984 | 0.48 | — | — |
| 1983 | 0.48 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1987 | $ 23,113,150 | $ 13.58 |
| 1986 | 22,890,619 | 13.45 |
| 1985 | 20,970,611 | 12.32 |
| 1984 | 19,290,305 | 11.34 |
| 1983 | 17,888,410 | 10.51 |

# Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***

| Year ended Dec. 31 | 1987 (53 weeks) | 1986 ‡ |
|---|---|---|
| Net sales | $ 178,385,166 | $ 165,871,175 |
| Cost of sales | 138,594,266 | 124,465,132 |
| Expenses | 36,632,547 | 37,158,413 |
| Interest expense | 1,073,280 | 609,898 |
| Other income | (1,719,607) | (1,599,822) |
| Income before taxes | $ 1,804,680 | $ 5,237,554 |
| Income taxes | 765,357 | 2,500,754 |
| Net Income | $ 1,039,323 | $ 2,736,800 |

* Included in Costs and Expenses, Depreciation and Amortization: $3,481,416 in 1987 and $2,965,013 in 1986.
‡ Restated.

**Assets**

| As of Dec. 31 | 1987 | 1986 ‡ |
|---|---|---|
| Cash | $ 2,596,918 | $ 1,713,922 |
| Accts. receiv., net | 528,068 | 483,825 |
| Refund. inc. taxes | 377,141 | — |
| *Inventories | 8,634,971 | 8,192,860 |
| Prepaid expenses | 281,282 | 81,747 |
| Deferred inc. tax benefits | 527,840 | 610,136 |
| Current Assets | $ 12,946,220 | $ 11,082,490 |
| #Fixed assets | 37,161,962 | 32,994,100 |
| Other assets | 572,934 | 555,980 |
| Total Assets | $ 50,681,116 | $ 44,632,570 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 61,248 | $ 145,583 |
| Accts. payable | 9,300,369 | 8,590,329 |
| Accrued payroll | 823,683 | 736,975 |
| Claims payable | 719,556 | 596,323 |
| Income taxes | — | 224,075 |
| Local taxes | 546,465 | 593,114 |
| Curr. Liabilities | $ 11,451,321 | $ 10,886,399 |
| Deferred credits | 2,559,853 | 2,026,963 |
| Long-term debt | 13,556,792 | 8,828,589 |
| +Common stock | 170,165 | 170,165 |
| Add. paid-in capital | 5,124,245 | 5,124,245 |
| Retained earnings | 17,818,740 | 17,596,209 |
| Total Liabilities & Shareholders' Equity | $ 50,681,116 | $ 44,632,570 |

‡ Restated.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.01 | 3.16 |
| %Net Income to Sales | 0.58 | 1.65 |
| %Net Income to Equity | 4.50 | 11.96 |
| Sales to Inventories | 20.66 | 20.25 |
| Debt to Equity | 0.59 | 0.39 |
| Working Capital | $ 1,494,899 | $ 196,091 |
| Current Ratio | 1.13 | 1.02 |
| Shareholders' Equity | $ 23,113,150 | $ 22,890,619 |

## Super Rite Foods, Inc.

(Rite Aid Corporation has a 46.8% interest in the Company)

3900 Industrial Road
P.O. Box 2261
Harrisburg, Pennsylvania 17105
(717) 232-6821

**Officers:** Alex Grass, chairman of the board & chief executive officer; Peter Vanderveen, president & chief operating officer; David Gundling, executive v.p.; Roger Grass, treasurer; William K. Schantzenbach, v.p.-finance & chief financial officer; Robert Anderson, v.p.-purchasing; Edward Dougherty, v.p.-sales; Albert Faccin, v.p.-human resources; John Harrison, v.p.-controller; Wilbur Shirey, v.p.-distribution; Joseph Zunic, v.p.-advertising & promotion; I. Lawrence Gelman, secretary.

**Directors:** Alex Grass, chairman of the board; Abraham Allen, David Gundling, Roger Grass, Morris Levinson, Neil Norry, Peter Vanderveen.

**Business Activities:** Operates 36 supermarkets in Maryland and Virginia under the names Food-A-Rama, Super Super, Rite Aids, and Basics and More. Also has wholesale grocery operations.

**Transfer Agent(s):**

Morgan Shareholders Services Trust Co.
30 West Broadway
New York, New York 10007

Registrar and Transfer Co.
Jersey City, New Jersey 07302

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** SRFI (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 36 | 1986 | 45 |
| 1987 | 37 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 642,485,000 | $ 4,967,000 |
| 1987 | 602,554,000 | 3,803,000 |
| 1986 | 602,464,000 | 3,210,000 |
| 1985 | 375,609,000 | 5,178,000 |
| 1984* | 286,832,000 | 3,959,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 5,037,742 | $ 0.99 |
| 1987 | 5,037,500 | 0.75 |
| 1986 | 5,037,500 | 0.64 |
| 1985 | 5,037,500 | 1.03 |
| 1984* | 4,431,000 | 0.89 |

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1987 | 1986 |
|---|---|---|
| Wholesale grocery | $ 498,996 | $ 463,881 |
| Retail grocery | 327,421 | 312,542 |
| Intersegment sales | (183,932) | (173,869) |
| Total | $ 642,485 | $ 602,554 |

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.20 | — | — |
| 1987 | 0.20 | — | — |
| 1986 | 0.19 | — | — |
| 1985 | 0.16 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 37,370,000 | $ 7.42 |
| 1987 | 33,406,000 | 6.63 |
| 1986 | 30,611,000 | 6.08 |
| 1985 | 28,350,000 | 5.63 |
| 1984 | 23,986,000 | 5.41 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account ***
(000's)

| Year ended | 2/27/88 | 2/28/87 |
|---|---|---|
| Net sales | $ 642,485 | $ 602,554 |
| Cost of sales | 540,588 | 508,132 |
| Expenses | 89,213 | 82,657 |
| Interest expense | 3,787 | 4,246 |
| Eq. in earn. of joint venture | — | (20) |
| Income before taxes | $ 8,897 | $ 7,539 |
| Income taxes | 3,930 | 3,736 |
| Net Income | $ 4,967 | $ 3,803 |

* Included in Costs and Expenses, Depreciation and Amortization: $7,451,000 in 1988 and $6,927,000 in 1987.

**Assets**
(000's)

| As of | 2/27/88 | 2/28/87 |
|---|---|---|
| Cash | $ 3,329 | $ 1,766 |
| Accts. receiv., net | 10,035 | 12,563 |
| *Inventories | 45,439 | 41,715 |
| Prepaid expenses | 2,460 | 2,295 |
| Current Assets | $ 61,263 | $ 58,339 |
| #Fixed assets | 43,595 | 43,118 |
| Notes receivable | 1,273 | 1,481 |
| Other assets | 2,003 | 1,039 |
| Intangibles | 8,919 | 9,894 |
| Total Assets | $ 117,053 | $ 113,871 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 9,000 | $ 8,000 |
| Long-term debt & cap. lease oblig., curr. | 7,895 | 7,937 |
| Accts. payable | 28,598 | 28,094 |
| Accruals | 6,455 | 4,368 |
| Income taxes | 445 | (1,062) |
| Curr. Liabilities | $ 52,393 | $ 47,337 |
| Long-term debt | 18,567 | 25,656 |
| Cap. lease oblig. | 4,309 | 4,487 |
| Deferred inc. taxes | 4,414 | 2,985 |
| +Common stock | 252 | 252 |
| Add. paid-in capital | 9,443 | 9,438 |
| Retained earnings | 27,675 | 23,716 |
| Total Liabilities & Shareholders' Equity | $ 117,053 | $ 113,871 |

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income before Taxes to Sales | 1.38 | 1.25 |
| %Net Income to Sales | 0.77 | 0.63 |
| %Net Income to Equity | 13.29 | 11.38 |
| Sales to Inventories | 14.14 | 14.44 |
| Debt to Equity | 1.06 | 1.38 |
| Working Capital | $ 8,870,000 | $ 11,002,000 |
| Current Ratio | 1.17 | 1.23 |
| Shareholders' Equity | $ 37,370,000 | $ 33,406,000 |

## Super Valu Stores, Inc.

P.O. Box 990
Minneapolis, Minnesota 55440
(612) 828-4000

**Officers:** Michael W. Wright, chairman, president & chief executive officer; John E. Morrissey, sr. v.p.-distribution; John B. Ferris, sr. v.p.-finance; Thomas L. Dekko, v.p.-sales; J. Gary Rhyman, v.p. & controller; Ronald C. Tortelli, sr. v.p.-human resources; Sumner H. Goldman, vice chairman; Lloyd Stenbeck, v.p.-store engineering; E. Wayne Shives, v.p.-labor relations; Robert O. Erickson, v.p.-corp. strategic planning; Phillip A. Dabill, sr. v.p. & regional president-Retail Support Companies; Laurence L. Anderson, sr. v.p. & regional president-Retail Support Companies; Michael L. Mulligan, v.p.-communications; Jeffrey Noddle, sr. v.p.-merchandising; David A. Cairns, v.p. & treasurer; William C. Hunt, v.p. & general counsel; William J. Tyrrell, sr. v.p. & pres.-ShopKo Stores, Inc.; Gordon W. Hippen, v.p.-market development; Gregory C. Heying, v.p.-distribution; H.S. (Skip) Smith, III, v.p.-information services; James A. Strom, secretary.

**Directors:** John E. Morrissey, Michael W. Wright, Arnold R. Weber, Harriet Perlmutter, Vernon H. Heath, Stephen I. D'Agostino, Richard D. McCormick, Garnett L. Keith, C. James McNutt, William E. C. Dearden, Edwin C. Gage, Sumner H. Goldman, Carole F. St. Mark.

**Business Activities:** Engaged principally in the supplying and servicing of more than 3,000 retail food stores in 32 states from 18 distribution centers. Independent retailers own and operate more than 2,800 of the retail food stores and the Company owns all or a majority interest of the remaining 151 stores. Most of the stores operate under one of the Super Valu licensed or sub-licensed names: Super Valu, IGA, Sure Save, Shop 'n Save, Great Scot, County Market, Cub Foods, Hornbachers, U-Save, Disco, Super Dollar, Sunflower, Twin Valu, Banner and Food Giant. The Company also owns and operates the ShopKo group of 87 general merchandise discount stores. Other operations include Preferred Products, a food processing and packing operation; Planmark, which provides engineering and architectural services for supermarkets, retail stores, shopping centers and wholesale distribution facilities; Studio 70, an interior design studio; and Risk Planners, Inc., an insurance agency.

**Divisions and Subsidiaries:**

Bismarck Division
707 Airport Road
Bismarck, North Dakota 58501
(701) 222-5600

Des Moines Division
3900 N.W. 106th Street
Des Moines, Iowa 50322
(515) 278-0211

Ryans Division
1629 King Avenue West
Billings, Montana 59102
(406) 657-1400

Green Bay Division
451 Joannes Avenue
Green Bay, Wisconsin 54304
(414) 437-3221

Fargo Division
3501 12th Avenue North
Fargo, North Dakota 58102
(701) 293-2100

Ohio Valley Division
1003 Bellbrook Avenue
Xenia, Ohio 45385
(513) 376-9441

ShopKo Stores, Inc.
700 Pilgrim Way
Green Bay, Wisconsin 54304

Preferred Products, Inc.
312 Lake Hazeltine Drive
Chaska, Minnesota 55318
(612) 448-5252

Minneapolis Division
101 Jefferson Avenue South
Hopkins, Minnesota 55343
(612) 932-4444

Charley Brothers Company
P.O. Box 1000
New Stanton, Pennsylvania 15672

Planmark, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344

Risk Planners, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344

Studio 70
11840 Valley View Road
Eden Prairie, Minnesota 55344

Anniston Division
Roberts Drive, Industrial Park
Anniston, Alabama 36201
(205) 831-1840

Food Marketing Corporation
4815 Executive Boulevard
Interstate Industrial Park
Fort Wayne, Indiana 46808
(219) 483-2146

J.M. Jones Company
2611 N. Lincoln Avenue
Urbana, Illinois 61801
(217) 384-2800

The Lewis Grocer Co.
Highway 49 South
Indianola, Mississippi 38751
(601) 887-3211

Cub Food Stores
127 Water Street
Stillwater, Minnesota 55082

Albuquerque Division
5600 Second Street NW
Albuquerque, New Mexico 87107

Denver Division
1983 Tower Road
Aurora, Colorado 80011

Atlanta Division
600 Selig Drive SW
Atlanta, Georgia 30336

West Coast Grocery Co.
495 East 19th Street
Tacoma, Washington 98421

SVS Trucking, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344

Food Giant, Inc.
Atlanta, Georgia
Supermarket chain currently operating 35 stores.

**Transfer Agent(s):**

Norwest Bank Minneapolis, N.A.
Corporate Agency-Stock Transfer
161 North Concord Exchange
P.O. Box 738
South Saint Paul, Minnesota 55075-0738

**Stock Exchange(s):** New York

**Ticker Symbol:** SVU

**Number of Stores:** (at fiscal year end)

| | Food Stores | Dept. Stores |
|---|---|---|
| 1989 | 151 | 87 |
| 1988 | 96 | 75 |
| 1987 | 107 | 65 |
| 1986 | 71 | 59 |
| 1985 | 60 | 49 |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1989 | $9,296,325,000 | $ 135,363,000 |
| 1988 | 9,371,665,000 | 111,780,000 |
| 1987* | 9,065,819,000 | 89,301,000 |
| 1986 | 7,905,016,000 | 91,347,000 |
| 1985 | 6,547,680,000 | 107,212,000 |

| | No. of Com. Shares ‡ | Earn. per Share # |
|---|---|---|
| 1989 | 74,822,232 | $ 1.81 |
| 1988 | 74,724,268 | 1.50 |
| 1987* | 74,547,967 | 1.20 |
| 1986 | 74,283,789 | 1.23 |
| 1985 | 74,079,844 | 1.45 |

* 53 weeks.
+ Of continuing operations only.
‡ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1989 ($000's) | % | 1988 ($000's) | % |
|---|---|---|---|---|
| Wholesale food | $8,649,572 | 84.0% | $7,944,600 | 84.9% |
| Retail food | 1,489,058 | 14.5 | 1,361,590 | 14.4 |
| Retail gen. merch. oper. | 1,279,961 | 12.4 | 1,072,378 | 11.4 |
| Eliminations | (1,122,266) | (10.9 | (1,010,903) | (10.7 |
| Total | $10,296,325 | 100.0% | $9,371,665 | 100.0% |

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.485 | — | — |
| 1988 | 0.435 | — | — |
| 1987 | 0.41 | — | — |
| 1986 | 0.37 | — | 2-for-1 |
| 1985 | 0.33 | — | — |

# Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1989 | $ 778,310,000 | $ 10.40 |
| 1988 | 677,429,000 | 9.07 |
| 1987 | 596,216,000 | 8.00 |
| 1986 | 534,830,000 | 7.20 |
| 1985 | 469,170,000 | 6.33 |

# Adjusted to reflect stock split.

**Income Account * ($000's)**

| Year ended | 2/25/89 | 2/27/88 |
|---|---|---|
| Net sales | $ 10,296,325 | $ 9,371,665 |
| Cost of sales | 9,272,491 | 8,466,417 |
| Expenses | 748,887 | 664,211 |
| Interest & other debt expense | 50,550 | 42,768 |
| Income before taxes | $ 224,397 | $ 198,269 |
| Income taxes | 89,034 | 86,489 |
| Net income | $ 135,363 | $ 111,780 |

* Included in Costs and Expenses, Depreciation and Amortization: $110,116,000 in 1989 and $103,268,000 in 1988.

**Assets ($000's)**

| As of | 2/25/89 | 2/27/88 |
|---|---|---|
| Cash | $ 2,195 | $ 2,170 |
| Receiv., net | 214,770 | 191,360 |
| *Inventories | 778,976 | 698,383 |
| Supplies & prepaid expenses | 16,917 | 17,126 |
| Deferred inc. tax benefits | 23,978 | 15,515 |
| Invest. in dir. fin. leases | 8,383 | 7,252 |
| Current Assets | $ 1,045,219 | $ 931,806 |
| Long-term notes receiv. | 54,593 | 38,066 |
| Invest. in dir. fin. leases | 75,950 | 77,945 |
| #Fixed assets | 1,035,700 | 903,127 |
| Other assets & defer. charges | 93,686 | 65,241 |
| Total Assets | $ 2,305,148 | $ 2,016,185 |

**Liabilities ($000's)**

| | | |
|---|---|---|
| Notes payable | $ 208,908 | $ 141,542 |
| Long-term debt, curr. | 6,832 | 5,613 |
| Capital lease oblig., curr. | 14,095 | 12,971 |
| Accts. payable | 507,740 | 464,004 |
| Checks outstanding | 19,106 | 10,085 |
| Accrued compensation | 46,885 | 41,745 |
| Accrued interest | 8,709 | 7,798 |
| Retire. plan contrib. | 22,646 | 20,629 |
| Dividends payable | 9,360 | 8,220 |
| Income taxes | 21,416 | 8,829 |
| Other taxes | 40,644 | 35,641 |
| Curr. Liabilities | $ 906,341 | $ 757,077 |
| Long-term debt | 399,724 | 389,484 |
| Oblig. under capital leases | 171,496 | 155,583 |
| Def. inc. taxes | 45,507 | 35,001 |
| Other liabilities | 3,770 | 1,611 |
| +Common stock | 74,882 | 74,724 |
| Add. paid-in capital | 6,902 | 5,258 |
| Retained earnings | 696,526 | 597,447 |
| Total Liabilities & Shareholders' Equity | $ 2,305,148 | $ 2,016,185 |

* At lower of cost (majority at LIFO; remainder at FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.18 | 2.12 |
| %Net Income to Sales | 1.31 | 1.19 |
| %Net Income to Equity | 17.39 | 16.50 |
| Sales to Inventories | 13.22 | 13.42 |
| Debt to Equity | 1.03 | 1.04 |
| Working Capital | $ 138,878,000 | $ 174,729,000 |
| Current Ratio | 1.15 | 1.23 |
| Shareholders' Equity | $ 778,310,000 | $ 677,429,000 |

## Supermarkets General Holdings Corporation

200 Milik Street
Carteret, New Jersey 07008
(201) 499-3000

(Acquired Supermarkets General Corporation in a leveraged buyout, which was completed on October 5, 1987.)

**Officers:** Kenneth Peskin, chairman of the board & chief executive officer; James D. Dougherty, president; Jack Futterman, vice chairman; Jeffrey C. Girard, v.p., treasurer & chief financial officer; Jerome Katcher, sr. v.p.; Maureen McGurl, v.p.; Arnold J. Pearl, v.p.; Joseph W. Adelhardt, controller; Marc A. Strassler, secretary & general counsel.

**Directors:** Kenneth Peskin, chairman; James D. Dougherty, Jack Futterman, James J. Burke, Jr., Stephen M. McLean, Sunil C. Khanna, Steven L. Martin, Jerry G. Rubenstein.

**Business Activities:** Operates a chain of supermarkets under the Pathmark name in New York, New Jersey, Connecticut, Delaware and Pennsylvania; supermarkets and super warehouse stores under the names Purity Supreme, Heartland, and Angelo's in Massachusetts, New Hampshire and Connecticut; conventional drug stores in New York, Connecticut and New Jersey under the Pathmark and Heartland names; Rickel Home Centers in Delaware, Connecticut, Maryland, New Jersey, New York, Rhode Island and Pennsylvania, selling such items as lumber, plumbing fixtures, garden tools and supplies and other household items. The Company also operates seven and has granted franchises for 57 Li'l Peach convenience stores in Massachusetts.

**Divisions:**

Pathmark
Rickel Home Centers
Purity Supreme

**Transfer Agent(s):**

Manufacturers Hanover Trust Co.
New York, New York

**Number of Stores:**

| | Supermarkets | Drug Stores & Depts. |
|---|---|---|
| 1988 | 208 | 172 |
| 1987 | 204 | 164 |
| 1986 | 200 | 191 |
| 1985 | 181 | 181 |
| 1984 | 175 | 166 |

| | Dept. Home Centers | Specialty Stores |
|---|---|---|
| 1988 | 51 | — |
| 1987 | 49 | — |
| 1986 | 45 | — |
| 1985 | 42 | 28 |
| 1984 | 40 | 29 |

NOTE: Supermarkets General Holdings Corp. and its wholly-owned subsidiary SMG Acquisition Corp. were formed by Merrill Lynch Capital Partners, Inc. to effect the acquisition of Supermarkets General Corporation. The Company acquired Supermarkets' remaining outstanding common stock on October 5, 1987, when SMG was merged with and into Supermarkets.

**Sales & Earnings**

| | Net Sales ($000's) | Net Income ($000's) |
|---|---|---|
| 1/28/89+ | $ 5,962,162 | $ (58,863) |
| 1/30/88+† | 3,682,038 | (41,783) |
| 10/3/87x‡ | 3,858,979 | 27,768 |
| 1/31/87x | 5,507,937 | 60,865 |
| 2/1/86x | 4,960,045 | 63,712 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1/28/89+ | 1,000,000 | $ — |
| 1/30/88+† | 1,000,000 | — |
| 10/3/87x‡ | 38,733,000 | 0.72 |
| 1/31/87x | 38,071,000 | 1.60 |
| 2/1/86x | 35,830,000 | 1.78 |

(Loss)
† 33 weeks.
‡ 35 weeks.
+ Company.
x Supermarkets.
# Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business ($000's)**

| | 1/28/89 | 1/30/88 |
|---|---|---|
| Supermarkets & drug stores | $ 5,459,500 | $ 3,388,800 |
| Home centers | 502,700 | 293,200 |
| Total | $ 5,962,200 | $ 3,682,000 |

**Common Stock**

| | Cash Dividend # | Stock Dividend | Stock Split |
|---|---|---|---|
| 1/28/89 | $ — | — | — |
| 1/30/88 | — | — | |
| 10/3/87 | 0.07 | — | — |
| 1/31/87 | 0.27 | — | 2-for-1 |
| 2/1/86 | 0.23 | — | — |

# Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1/28/89+ | $ (27,275,000) | $ — |
| 1/30/88+ | 45,299,000 | 45.30 |
| 10/3/87x | 496,550,000 | 12.82 |
| 1/31/87x | 465,791,000 | 12.23 |
| 2/1/86x | 346,981,000 | 9.68 |

(Deficiency)
+ Company.
x Supermarkets.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended | 1/28/89 (33 weeks) | 1/30/88 (35 weeks) |
|---|---|---|
| Net sales | $ 5,962,162 | $ 3,682,038 |
| Cost of sales | 4,525,490 | 2,811,247 |
| Expenses | 1,146,337 | 697,971 |
| Depreciation & amortization | 99,771 | 61,233 |
| Amort. of exc. of price over fair value | 28,278 | 16,742 |
| Interest expense | 245,522 | 150,984 |
| Loss before taxes | $ (83,236) | $ (56,139) |
| Tax credit | (24,373) | (18,164) |
| Minority interest | — | 3,808 |
| Net Loss | $ (58,863) | $ (41,783) |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 4,465 | $ 3,390 |
| Accts. receiv., net | 10,165 | 9,315 |
| *Inventories | 488,063 | 478,539 |
| Inc. tax receiv. | 30,081 | 17,871 |
| Other curr. assets | 78,135 | 60,193 |
| Current Assets | $ 610,909 | $ 569,308 |
| #Fixed assets | 920,692 | 933,436 |
| Deferred fin. costs | 39,036 | 50,017 |
| Other assets | 17,189 | 17,802 |
| Intangibles | 1,086,152 | 1,114,255 |
| Total Assets | $ 2,673,978 | $ 2,684,818 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Long-term debt, curr. | $ 89,875 | $ 99,363 |
| Cap. lease oblig., curr. | 8,478 | 6,882 |
| Accts. payable | 306,532 | 313,258 |
| Accruals & other liabilities | 107,325 | 99,042 |
| Accrued payroll | 74,283 | 69,856 |
| Def. inc. taxes | 35,152 | 24,337 |
| Curr. Liabilities | $ 621,645 | $ 612,738 |
| Long-term debt | 1,569,060 | 1,539,172 |
| Oblig. under cap. leases | 180,036 | 157,905 |
| Def. inc. taxes | 136,618 | 147,331 |
| Other liabilities | 82,466 | 84,613 |
| Redeem. stock: | | |
| +Preferred | 101,428 | 87,760 |
| +Common | 10,000 | 10,000 |
| +Class A common | 6 | 6 |
| +Class B common | 3 | 3 |
| Add. paid-in capital | 88,319 | 89,611 |
| Retained earnings (deficit) | (115,603) | (44,321) |
| Total Liabilities & Shareholders' Equity | $ 2,673,978 | $ 2,684,818 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

## Syms Corp.

Syms Way
Secaucus, New Jersey 07094
(201) 902-9600

**Officers:** Sy Syms, chairman of the board & chief executive officer; Marcy Syms, president & chief operating officer; Richard B. Diamond, v.p.-finance & treasurer; Irwin Shivek, v.p.-operations; Norman Fately, v.p.-merchandise; Gregory Diamond, v.p.-merchandise; Ira Weiser, v.p.-men's wear; Charles Koopersmith, v.p.-men's wear; Alan Kilman, v.p.-women's wear; Abraham Oliver, v.p.-imports; Timothy Franschke, v.p.-human resources; Stephen Merns, v.p. & secretary; Robert Syms, v.p.; Eugene Karp, v.p.-women's wear; William Pattberg, v.p.-distribution.

**Directors:** Sy Syms, chairman of the board; Marcy Syms, Richard B. Diamond, Wilber L. Ross, Jr., J. Sloane Immerman.

**Business Activities:** Operates 23 retail stores which sell off-price apparel for men, women and children. Stores are located in New York, New Jersey, Massachusetts, Pennsylvania, Virginia, Maryland, Florida, Illinois, Michigan, Ohio, Missouri, Texas and Georgia. Also operates seven "Sulka Shop" haberdashery/custom clothing departments in clothing stores in New York, San Francisco, Chicago, London, Paris, and Troy, Michigan.

**Subsidiaries:**

Syms Advertising Inc.
A. Sulka & Company LTD. Operates five clothing stores under the A. Sulka name, in New York, San Francisco, London and Paris.

**Transfer Agent(s):**

American Stock Transfer Company
New York, New York

**Stock Exchange(s):** New York

**Ticker Symbol:** SYM

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 30 | 1986 | 22 |
| 1987 | 27 | 1985 | 20 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 282,555,000 | $ 18,736,000 |
| 1987 | 256,756,000 | 17,780,000 |
| 1986 | 223,071,000 | 14,773,000 |
| 1985 | 215,168,000 | 12,715,000 |
| 1984 | 204,251,000 | 12,712,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1988 | 17,650,000 | $ 1.06 |
| 1987 | 17,650,000 | 1.01 |
| 1986 | 17,650,000 | 0.84 |
| 1985 | 17,650,000 | 0.72 |
| 1984 | 17,650,000 | 0.72 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 117,550,000 | $ 6.66 |
| 1987 | 98,811,000 | 5.60 |
| 1986 | 81,031,000 | 4.59 |
| 1985 | 66,258,000 | 3.75 |
| 1984 | 53,543,000 | 3.15 |

**Income Account ***
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 282,555 | $ 256,756 |
| Cost of sales | 189,871 | 171,934 |
| Expenses | 61,681 | 51,919 |
| Interest expense | 82 | 342 |
| Income before taxes | $ 30,921 | $ 32,561 |
| Income taxes | 12,185 | 14,781 |
| Net Income | $ 18,736 | $ 17,780 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,342,000 in 1988 and $3,563,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 2,039 | $ 2,530 |
| Accts. receiv., net | 1,865 | 1,923 |
| *Inventories | 62,116 | 48,240 |
| Prepaid expenses | 1,363 | 832 |
| Deferred inc. taxes | 1,664 | 434 |
| Current Assets | $ 69,047 | $ 53,959 |
| #Fixed assets | 86,043 | 81,207 |
| Other assets | 2,378 | 2,510 |
| Total Assets | $ 157,468 | $ 137,676 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Bank loan | $ — | $ 5,000 |
| Long-term debt, curr. | 85 | 77 |
| Cap. lease oblig., curr. | 111 | 75 |
| Accts. payable | 21,285 | 18,181 |
| Accruals | 1,944 | 2,189 |
| Other taxes | 1,695 | 1,420 |
| Oblig. to cust. | 2,387 | 2,003 |
| Income taxes | 3,140 | 856 |
| Curr. Liabilities | $ 30,647 | $ 29,801 |
| Long-term debt | 4,911 | 4,996 |
| Cap. lease oblig. | 2,154 | 2,265 |
| Deferred inc. taxes | 2,206 | 1,803 |
| +Common stock | 883 | 883 |
| Add. paid-in capital | 11,342 | 11,339 |
| Retained earnings | 105,325 | 86,589 |
| Total Liabilities & Shareholders' Equity | $ 157,468 | $ 137,676 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.94 | 12.68 |
| %Net Income to Sales | 6.63 | 6.92 |
| %Net Income to Equity | 15.94 | 17.99 |
| Sales to Inventories | 4.55 | 5.32 |
| Debt to Equity | 0.06 | 0.13 |
| Working Capital | $ 38,400,000 | $ 24,158,000 |
| Current Ratio | 2.25 | 1.81 |
| Shareholders' Equity | $ 117,550,000 | $ 98,811,000 |

## Tandy Brands, Inc.

550 Bailey, Suite 660
Fort Worth, Texas 76107
(817) 334-8200

**Officers:** Carson R. Thompson, chairman of the board, president & chief executive officer; J.S. Britt Jenkins, exec. v.p.-mfg.; Robert Nourse, exec. v.p.-specialty retail; Harold C. DeHart, v.p. and treasurer; Michael J. Veitenheimer, secretary & gen. counsel; Stanley T. Ninemire, asst. treasurer and controller.

**Directors:** Carson R. Thompson, chairman; John A. Wilson, Jesse Upchurch, Clayton E. Niles, Edmund H. Demon, Robert Runice, Roger Stara, Loretta Blum.

**Business Activities:** Operates principally in two segments: Leather Manufacturing and Specialty Retailing.

**Divisions:**

T.A.B. Accessories
Manufactures leather products and markets men's and boys' belts, wallets, neckwear and other accessories.

The Bombay Company
A chain of 163 stores operating in the U.S. and Canada, specializing in selling antique English furniture reproductions and related home improvement products.

**Transfer Agent(s):**

First National Bank of Boston
Boston, Massachusetts

**Stock Exchange(s):** American

**Ticker Symbol:** TAB

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 163 | 1986 | 126 |
| 1987 | 114 | 1985 | 85 |

N.A. - Not Available.

**Sales & Earnings**

| | Net Sales + | Net Income ‡ |
|---|---|---|
| 1988 | $ 78,498,000 | $ 3,416,000 |
| 1987 | 67,420,000 | (5,741,000) |
| 1986 | 62,607,000 | (484,000) |
| 1985 | 52,647,000 | 3,331,000 |
| 1984 | 61,573,000 | (13,067,000) |

| | No. of Com. Shares | Earn. per Share ‡ † |
|---|---|---|
| 1988 | 3,946,032 | $ 0.87 |
| 1987 | 3,867,825 | — |
| 1986 | 3,764,715 | — |
| 1985 | 3,616,527 | 0.94 |
| 1984 | 3,439,738 | — |

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $994,000 ($0.25 per share) in 1988, $294,000 in 1986 and $1,544,000 ($0.43 per share) in 1985.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1988 | $ 14,733,000 | $ 3.73 |
| 1987 | 10,213,000 | 2.64 |
| 1986 | 15,167,000 | 4.03 |
| 1985 | 14,868,000 | 4.11 |
| 1984 | 10,673,000 | 3.10 |

† Adjusted to reflect stock split.

**Income Account**
(000's)

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 78,498 | $ 67,420 |
| Interest, royalty & other income | 331 | 410 |
| Total income | $ 78,829 | $ 67,830 |
| Cost of sales | 36,045 | 30,185 |
| Expenses | 35,284 | 30,827 |
| Depreciation & amortization | 2,203 | 1,779 |
| Interest expense | 1,531 | 1,005 |
| Loss (adjust.) on divest. | (334) | 9,355 |
| Inc. (loss) bef. taxes | $ 4,100 | $ (5,321) |
| Income taxes | 1,678 | 420 |
| Net Income (Loss) | $ 2,422 | $ (5,741) |
| Extraord. gain | 994 | — |
| Net Income (Loss) & extraord. gain | $ 3,416 | $ (5,741) |

**Assets**
(000's)

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 36 | $ 759 |
| Accts. receiv., net | 2,575 | 2,701 |
| *Inventories | 18,538 | 14,576 |
| Other current assets | 2,272 | 1,282 |
| Current Assets | $ 23,421 | $ 19,318 |
| #Fixed assets | 15,347 | 10,265 |
| Other assets & intangibles | 3,704 | 3,879 |
| Total Assets | $ 42,472 | $ 33,462 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable & long-term debt, curr. | $ 87 | $ 153 |
| Accts. payable | 1,269 | 1,196 |
| Accrued payroll | 2,086 | 2,730 |
| Accrued expenses | 5,713 | 5,728 |
| Curr. Liabilities | $ 9,155 | $ 9,807 |
| Long-term debt | 6,679 | 642 |
| Other liabilities | 1,415 | 2,310 |
| Subordinated conv. notes | 8,000 | 8,000 |
| Subordinated deben. | 2,490 | 2,490 |
| +Common stock | 4,089 | 4,089 |
| Add. paid-in capital | 17,196 | 16,746 |
| Ret. earnings (deficit) | (6,225) | (9,639) |
| For. curr. trans. | 269 | (64) |
| Treasury stock | (598) | (919) |
| Total Liabilities & Shareholders' Equity | $ 42,472 | $ 33,462 |

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 5.22 | — |
| %Net Income to Sales | 3.09 | — |
| %Net Income to Equity | 16.44 | — |
| Sales to Inventories | 4.23 | 4.63 |
| Debt to Equity | 0.46 | 0.08 |
| Working Capital | $ 14,266,000 | $ 9,511,000 |
| Current Ratio | 2.56 | 1.97 |
| Shareholders' Equity | $ 14,733,000 | $ 10,213,000 |

## Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

**Officers:** John V. Roach, chairman, president & chief executive officer; Paul L. Hill, senior v.p. & treasurer; Herschel C. Winn, sr. v.p. & secretary; John W. Burnam, v.p.; Ronald L. Parrish, v.p.; Richard L. Ramsey, v.p.; Donald L. Bock, asst. treasurer; Jana R. Freundlich, asst. secretary; Jim B. Sheets, asst. secretary.

**Directors:** John V. Roach*, chairman; William C. Conner*, William T. Smith*, Alfred J. Stein, Jesse L. Upchurch*, John A. Wilson*, Robert R. Lowdon*, Donald L. Bryant, Lewis F. Kornfeld, Jr*, Thomas G. Plaskett, William E. Tucker*, William G. Morton, Jr..

* Member of the Executive Committee.

**Business Activities:** Operates over 7,000 company-owned and dealer/franchisee Radio Shack stores and 290 Tandy Brand Name Retail stores, which retail consumer electronics products throughout the U.S. Also operates chains of electronic retailers under the names Scott McDuff, Santa, and VideoConcepts. Tandy also manufactures consumer electronics products.

**Divisions and Subsidiaries:**

Radio Shack Division
Radio Shack Consumer Retail Operation
Radio Shack-Business Products Division
Tandy Electronics
Tandy Computers
Tandy Brand Name Retail Group
Tandy Trading International
A&A Trading Company
Tandy Credit Corporation
Lika Corporation
Memtek Products
O'Sullivan Industries
Scott-McDuff Corporation
VideoConcepts
GRiD Systems Corporation

**Transfer Agent(s):**

First National Bank of Boston (common stock)
Boston, Massachusetts

Texas American Bank/Fort Worth N.A. (common stock and debentures)
Fort Worth, Texas
(common stock & debentures)

**Stock Exchange(s):** New York

Ticker Symbol: TAN

Number of Stores:*

| | | | |
|---|---|---|---|
| 1988 | 7,336 | 1985 | 7,088 |
| 1987 | 7,318 | 1984 | 6,948 |
| 1986 | 7,385 | | |

* Radio Shack and Tandy Brand Name Retail stores only.

Sales & Earnings

| | Net Sales + (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 3,793,767 | $ 316,354 |
| 1987 | 3,452,178 | 242,329 |
| 1986 | 3,035,969 | 197,659 |
| 1985 | 2,595,695 | 189,060 |
| 1984 | 2,490,473 | 281,871 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 89,466,000 | $ 3.54 |
| 1987 | 89,899,000 | 2.70 |
| 1986 | 89,203,000 | 2.22 |
| 1985 | 89,490,000 | 2.11 |
| 1984 | 102,328,000 | 2.75 |

+ Includes operating revenues; of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 1,603,112,000 | $ 17.92 |
| 1987 | 1,380,039,000 | 15.35 |
| 1986 | 1,306,458,000 | 14.65 |
| 1985 | 1,063,454,000 | 11.88 |
| 1984 | 988,696,000 | 9.66 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account (000's)

| Year ended June 30 | 1988 | 1987‡ |
|---|---|---|
| Net sales & oper. rev. | $ 3,793,767 | $ 3,452,178 |
| Cost of sales | 1,870,429 | 1,700,109 |
| Expenses | 1,341,090 | 1,208,750 |
| Depreciation & amortization | 68,156 | 62,591 |
| Interest expense (income) | (588) | 21,937 |
| Income before taxes | $ 514,680 | $ 458,791 |
| Income taxes | 198,326 | 213,625 |
| Eq. in loss of oper. to be spun off | — | 2,837 |
| Net Income | $ 316,354 | $ 242,329 |

‡ Restated for consolidation of credit and insurance subsidiaries.

Assets (000's)

| As of June 30 | 1988 | 1987‡ |
|---|---|---|
| Cash & short-term invest. | $ 188,224 | $ 78,114 |
| Accts. & notes receiv., net | 462,374 | 197,219 |
| *Inventories | 1,287,854 | 1,128,435 |
| Other assets | 47,622 | 41,436 |
| Current Assets | $ 1,986,074 | $ 1,445,204 |
| #Fixed assets | 367,264 | 337,154 |
| Other assets | 176,754 | 183,031 |
| Total Assets | $ 2,530,092 | $ 1,965,389 |

Liabilities (000's)

| | | |
|---|---|---|
| Notes payable | $ 306,475 | $ 31,304 |
| Accts. payable | 116,818 | 113,001 |
| Accruals | 205,191 | 160,254 |
| Inc. taxes payable | 20,778 | (1,118) |
| Curr. Liabilities | $ 649,262 | $ 303,441 |
| Notes payable | 153,641 | 168,194 |
| Subord. deb. | 26,957 | 26,414 |
| Other liabilities | 28,143 | 28,480 |
| Deferred inc. taxes | 68,977 | 58,821 |
| +Common stock | 95,645 | 95,645 |
| Add. paid-in capital | 114,999 | 102,305 |
| Retained earnings | 1,609,346 | 1,344,394 |
| For. curr. trans. | 8,105 | 4,130 |
| Treasury stock | (224,983) | (166,435) |
| Total Liabilities & Shareholders' Equity | $ 2,530,092 | $ 1,965,389 |

‡ Restated.
* At lower of cost (primarily average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 13.57 | 13.29 |
| %Net Income to Sales | 8.34 | 7.02 |
| %Net Income to Equity | 19.73 | 17.56 |
| Debt to Equity | 0.29 | 0.14 |
| Working Capital | $ 1,336,812,000 | $ 1,086,736,000 |
| Current Ratio | 3.06 | 4.60 |
| Shareholders' Equity | $ 1,603,112,000 | $ 1,380,039,000 |

## Tandycrafts, Inc.

1400 Everman Parkway
Fort Worth, Texas 76140
(817) 551-9600

**Officers:** William H. Michero, chairman of the board; Kenneth L. Gregson, president and chief executive officer; Jerry L. Roy, sr. v.p. & chief operating officer; Michael J. Walsh, v.p., general counsel & secretary; C. Gary Crow, sr v.p. & treasurer; Billy D. Rudd, v.p. & controller; John V. Sandlin, v.p. & dir.-management information systems.

**Directors:** William H. Michero, chairman; Kenneth L. Gregson, Robert Schutts, Roger A. Dickinson, Joe K. Pace, R. E. Cox, III, John A. Wilson, Jerry L. Roy, B. Franklin Bigger.

**Divisions:**

Tandy Leather Company
Production and sales of materials, kits and equipment used in leathercrafts through 209 company-owned retail and mail-order stores in the United States and Canada.

The Magee Company
Production and marketing of wood and metal frames and framed prints through major retail chains and independent merchants nationwide.

**Subsidiaries:**

Casual Concepts, Inc.
Retail sales of the "Cargo" line of casual wood furniture through 85 company-owned stores.

Development Association, Inc.
Retail sale of Christian-oriented books, records and gifts through 19 Joshua Christian Stores.

**Transfer Agent(s):**

Texas American Bank Fort Worth, N.A.
Fort Worth, Texas

**Stock Exchange(s):** New York

**Ticker Symbol:** TAC

Number of Stores: (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 313 | 1985 | 319 |
| 1987 | 304 | 1984 | 321 |
| 1986 | 288 | | |

Sales & Earnings

| | Net Sales + | Net Income |
|---|---|---|
| 1988 | $ 101,136,000 | $ 1,331,000 |
| 1987 | 86,078,000 | 875,000 |
| 1986 | 77,991,000 | 2,548,000 |
| 1985 | 74,530,000 | 2,609,000 |
| 1984 | 66,726,000 | 2,699,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 2,524,000 | $ 0.53 |
| 1987 | 2,385,000 | 0.37 |
| 1986 | 2,402,000 | 1.06 |
| 1985 | 2,439,000 | 1.07 |
| 1984 | 2,473,000 | 1.09 |

+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 36,740,000 | $ 13.03 |
| 1987 | 40,795,000 | 17.63 |
| 1986 | 41,000,000 | 17.26 |
| 1985 | 39,183,000 | 16.18 |
| 1984 | 36,632,000 | 15.12 |

Income Account (000's)

| Year ended June 30 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 101,136 | $ 86,078 |
| Cost of sales | 56,499 | 45,947 |
| Expenses | 38,462 | 36,867 |
| Depreciation & amortization | 2,145 | 1,711 |
| Interest expense | 1,030 | 342 |
| Investment loss (inc.) | 525 | (368) |
| Income before taxes | $ 2,475 | $ 1,599 |
| Income taxes | 1,144 | 684 |
| Net Income | $ 1,331 | $ 875 |

Assets (000's)

| As of June 30 | 1988 | 1987 |
|---|---|---|
| Cash | $ 4,605 | $ 1,349 |
| Market. securities | 194 | 3,719 |
| Accts. receiv., net | 7,580 | 5,038 |
| *Inventories | 21,597 | 21,476 |
| Other current assets | 1,064 | 1,337 |
| Current Assets | $ 35,030 | $ 32,919 |
| #Fixed assets | 22,027 | 18,675 |
| Other assets | 893 | 540 |
| Intangibles | 2,391 | 2,397 |
| Total Assets | $ 60,341 | $ 54,531 |

Liabilities (000's)

| | | |
|---|---|---|
| Notes payable | $ 1,400 | $ 1,000 |
| Trade accts. payable | 2,195 | 1,906 |
| Accts. payable & accruals | 4,189 | 3,141 |
| Accrued payroll | 2,115 | 2,468 |
| Income taxes | 639 | 221 |
| Curr. Liabilities | $ 10,538 | $ 8,736 |

| | | |
|---|---|---|
| Note payable | 13,063 | 5,000 |
| +Common stock | 4,632 | 4,632 |
| Add. paid-in capital | 22,564 | 19,405 |
| Retained earnings | 46,878 | 45,547 |
| Treasury stock | (22,871) | (28,789) |
| Loan to ESOP | (14,463) | — |
| Total Liabilities & Shareholders' Equity | $ 60,341 | $ 54,531 |

° At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.45 | 1.81 |
| %Net Income to Sales | 1.32 | 1.02 |
| %Net Income to Equity | 3.62 | 2.14 |
| Sales to Inventories | 4.68 | 4.01 |
| Debt to Equity | 0.39 | 0.15 |
| Working Capital | $ 24,492,000 | $ 24,183,000 |
| Current Ratio | 3.32 | 3.77 |
| Shareholders' Equity | $ 36,740,000 | $ 40,795,000 |

## THORN EMI plc

4 Tenterden Street
Hanover Square
London W1A 2AY England
01-836 2444

**Directors:** Sir Graham Wilkins, chairman; Colin Southgate, managing director & chief executive; Sir William Barlow, non-executive; David Barnes, non-executive; James Maxmin, chairman & chief executive-Home Electronics; Tom Mayer, chief executive-Technology Group; Robert Nellist, finance director; Sir Ian Trethowan, non-executive; Bhaskar Menon, chairman & chief executive-EMI Music Worldwide; Tom Mayer, chief executive-Technology Group; Michael Angus, non-executive.

**Corporate Management:** R. Charlton, company secretary; I.D. Christians, strategic development; K.W. Gray, technical; Colin Woodley, corp. communications; P.I. Hayman, corp. projects; D.R.W. Young, personnel & organization development; D.A. MacKechnie, financial analysis & control; D.T. Smith, international finance; B.T. Burford, purchasing; G.J. Cant, estates; K.W. Flack, insurance; R.A.A. Hurst, legal & patents; Teresa Prichard, asst. secretary; Charlotte Chambers, management development & training; G.G. Roberts, dir.-research; Sharon Curley, international public affairs; Mike Metcalf, deputy finance director.

**Business Activities:** The Company's operations are divided into five areas: Rental and Retail, Technology, Music, Lighting, and Kenwood.

Rental and Retail activities include the operation of Radio Rentals, Le Set, and DER, all consumer electronics rental chains doing business in the U.K.; THORN EMI TV and Video Centres operate Multi-broadcast and Focus rental/retail consumer electronics stores in the U.K.; the Company also operates Rumbelows, a consumer electronics and appliance retail chain doing business in the U.K. under the Rumbelows and Hometech names; Overseas operations include THORN EMI International Rentals (which operates consumer electronics rental stores in 13 countries); FONA electronic retail stores and HMV music retailing outlets, which operate primarily in the U.K. and Denmark.

The Company's Technology Group focuses on five major high-technology markets: defense electronics, software, security, telecommunications, and semiconductors. Principal products include radar integration systems, advanced ticket issuing systems, hand-held thermal imagers, manportable surveillance and target-acquisition radar, data distribution systems for naval vessels, mortar locating radar, electronic countermeasures systems, aircraft early warning radar, aircraft engine fire detection systems, fuzes for air-launched missiles, artillery shells, klystron tubes for earth resource satellites, low light level sensing devices, fire and security protection equipment, information technology systems for the military, electronic retail point-of-sale terminals, railway, power conversion and industrial drive controls, fare collection equipment for railways, decision support and management software, computer maintenance services, digital public telephone exchanges, high-capacity optical fiber data package switches and computer-controlled business telephone systems, private automatic branch exchanges, measurement instruments, transputer products used in a wide range of applications including robotics, computer graphics, artificial intelligence and digital signal processing, and high-performance static Random Access Memories (RAMs).

Music operations include the production of recorded music, music publishing, music videos, the supply of duplicator magnetic tape and acetate discs to the international record industry, and the manufacture of compact discs.

Lighting products include high-pressure sodium lamps and fittings, incandescent and fluorescent lamps, miniature low-voltage tungsten halogen products for display markets, among others.

The Kenwood segment manufactures and distributes a wide range of small kitchen appliances.

**Divisions and Subsidiaries:**

Rental and Retail

Thorn Home Electronics International Ltd.
Focus TV and Video Centres Ltd.
Multi-broadcast
DER
Le Set
Radio Rentals Division
Rumbelows
Hometech
Thorn EMI Hyr-TV AB (Sweden)
FONA A/S (Denmark)
HMV Shops
Radio Rentals Pty. Ltd. (Australia)
Rent-A-Center, Inc. (U.S.A.)

Technology

Thorn EMI Technology Ltd.

Thorn EMI Electronics Ltd.
Thorn EMI Varian
THORN Security Division
Thorn EMI Datatech
Datasolve Division
Thorn EMI Computer Software
Thorn Ericsson Telecommunications (Holdings) Ltd. (51%-owned)
INMOS International plc

Music

EMI Music Ltd.
Capitol Industries - EMI Inc. (U.S.A.)
Pathe Marconi EMI SA (France)
EMI Italiana SpA (Italy)
EMI Electrola GmbH (Germany)
EMI Music Australia

Consumer And Commercial

Thorn Lighting Ltd.

Kenwood Ltd.
Kenwood SA (France)
Sivi Illuminazione Spa (Italy) (51%-owned)
THORN Licht GmbH (Germany)
Jarnkonst AB (Sweden)

International

**Associate Companies:**

Thames Television PLC (28.75% interest)
England

Toshiba-EMI Ltd. (50% interest)
Japan

J2T Holdings B.V. (33.33% interest)
The Netherlands

J2T Video (Berlin) GmbH (33.33% interest)
West Germany

**Registrars:**

National Westminster Bank PLC
Registrar's Dept.
37 Broad Street
Bristol BS99 7NH, England

**Stock Exchange(s):** London

**Number of Stores:°**

1987 ..... N.A. 1986 ..... 1500

° Includes retail and/or rental outlets.
N.A. - Not Available.

**Sales & Earnings**

| | Net Sales + | Net Income † |
|---|---|---|
| 1988 | £3,054,000,000 | £ 137,500,000 |
| 1987 | 3,203,200,000 | 99,600,000 |
| 1986 | 3,316,500,000 | 61,400,000 |
| 1985 | 3,204,400,000 | 65,200,000 |
| 1984 | 2,820,900,000 | 88,000,000 |

| | No. of Com. Shares | Earn. per Share † |
|---|---|---|
| 1988 | 276,079,767 | 53.1p |
| 1987 | 217,666,115 | 43.9 |
| 1986 | 215,431,869 | 26.5 |
| 1985 | N.A. | 29.9 |
| 1984 | N.A. | 46.9 |

N.A. - Not Available
£ - pound sterling
+ Of continuing operations only.
† Before extraordinary items.
† Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | 22.0p | — | — |
| 1987 | 18.5 | — | — |
| 1986 | 17.5 | — | — |
| 1985 | 17.5 | — | — |
| 1984 | 17.5 | — | — |

**Common Stock Equity**

| | Total Equity † | Equity Per Share |
|---|---|---|
| 1988 | £ 580,800,000 | 210.4p |
| 1987 | 566,100,000 | 260.1 |
| 1986 | 516,700,000 | 239.8 |

† After allowing for preferred stock at stated value.

**Income Account °**
**(000's)**

| Year ended Mar. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | £ 3,054,000 | £ 3,203,200 |
| Cost of sales | 2,539,400 | 2,742,200 |
| Distribution costs | 110,000 | 116,100 |
| Adm. expenses | 225,600 | 235,200 |
| Oper. income | (44,700) | (63,600) |
| Share of profits of rel. cos. | (20,000) | (18,500) |
| Finance charges | 18,400 | 32,300 |
| Income before taxes | £ 225,300 | £ 159,500 |
| Income taxes | 79,000 | 57,000 |
| Minority interests | 8,800 | 2,900 |
| Net Income | £ 137,500 | £ 99,600 |
| Extraord. loss | (14,200) | (24,700) |
| Net Income & extraord. loss | £ 123,300 | £ 74,900 |

° Included in Costs and Expenses, Depreciation: £ 248,200,000 in 1988 and £ 212,000,000 in 1987.

**Assets**
**(000's)**

| As of Mar. 31 | 1988 | 1987 |
|---|---|---|
| Cash | £ 89,000 | £ 54,600 |
| Investments | 31,700 | 9,200 |
| Accts. receiv., net | 525,000 | 624,800 |
| °Inventories | 384,800 | 397,600 |
| Current Assets | £ 1,030,500 | £ 1,086,200 |

| | | |
|---|---|---|
| Investments | 52,100 | 57,600 |
| Net assets of fin. subsid. | 17,900 | 10,600 |
| #Fixed assets | 933,000 | 815,800 |
| Total Assets | £ 2,033,500 | £ 1,970,200 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | £ 57,700 | £ 154,700 |
| Accts. payable | 317,900 | 315,500 |
| Other payables | 140,100 | 84,800 |
| Customer deposits | 78,000 | 71,600 |
| Royalties & fees payable | 117,100 | 109,500 |
| Amts. owed to rel. cos | 1,400 | 10,100 |
| Accruals | 75,600 | 86,400 |
| Income taxes | 48,600 | 57,100 |
| Other taxes | 66,600 | 54,100 |
| Dividends | 45,300 | 30,600 |
| Curr. Liabilities | £ 948,300 | £ 974,400 |
| Long-term debt | 121,400 | 148,800 |
| Other payables | 25,700 | 24,100 |
| Minority interest | 125,600 | 28,300 |
| Deferred inc. taxes | 26,200 | 24,500 |
| Other liabilities | 141,600 | 140,000 |
| +7% preferred stock | 63,400 | 63,500 |
| ++3.5% preferred stock | 500 | 500 |
| +++Common stock | 69,000 | 54,400 |
| Add. paid-in capital | 290,200 | 282,200 |
| Other reserves | 10,400 | 10,400 |
| Profit and loss acct. | 211,200 | 219,100 |
| Total Liabilities & Shareholders' Equity | £ 2,033,500 | £ 1,970,200 |

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 7% convertible redeemable cumulative.
++ £ 1 par value; 3.5% cumulative.
+++ 25p par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 7.38 | 4.98 |
| %Net Income to Sales | 4.50 | 3.11 |
| %Net Income to Equity | 21.33 | 15.81 |
| Sales to Inventories | 7.94 | 8.06 |
| Debt to Equity | 0.28 | 0.48 |
| Working Capital | £ 82,200,000 | £ 111,800,000 |
| Current Ratio | 1.09 | 1.11 |
| Shareholder's Equity | £ 644,700,000 | £ 630,100,000 |

## Three D Departments, Inc.

18012 Mitchell South
Irvine, California 92714
(714) 261-1042

Mailing Address:
P.O. Box 19773
Irvine, California 92714

**Officers:** Bernard Abrams, chairman & chief executive officer; Donald L. Abrams, president; John B. Abrahms, sr., sr. v.p. & asst. treasurer; David Kotkin, secretary; Frank Kane, v.p.-administration & finance; Abe Markowicz, v.p.-merchandising; Ronald Dow, controller; Abe Markowicz, v.p.-merchandising; Ira Durlester, v.p.-operations.

**Directors:** Bernard Abrams*, chairman; John B. Abrahms*, David Kotkin*, Abe Markowicz, Donald L. Abrams, Henry W. Nozko, Jr., Gerson K. Bernstein, Morton A. Siegler, Bernard J. White.

* Member of the Executive Committee

**Business Activities:** The Company is engaged in the operation of seven leased domestics departments in discount department stores, and 28 specialty stores, which sell curtains and draperies, linens, towels, rugs, bedspreads, sheets, blankets, drapery hardware, housewares and giftware. The specialty stores operate under the name "Three D Bed & Bath," and are located in the Northeast and in California.

**Transfer Agent(s):**

Manufacturers Hanover Trust Co.
New York, New York

**Stock Exchange(s):** American

**Ticker Symbol:** TDD-A and TDD-B

**Number of Outlets:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 35 | 1985 | 107 |
| 1987 | 32 | 1984 | 90 |
| 1986 | 64 | | |

**Sales & Earnings**

| | Revenues ‡ | Net Income |
|---|---|---|
| 1988 | $ 35,195,974 | $ 719,405 |
| 1987 | 34,890,005 | 728,401 |
| 1986 | 44,635,806 | 851,061 |
| 1985* | 59,559,198 | 928,590 |
| 1984 | 51,796,620 | 1,419,011 |

| | No. of Com. Shares † | Earn. per Share + |
|---|---|---|
| 1988 | 2,922,092 | $ 0.24 |
| 1987 | 3,194,956 | 0.22 |
| 1986 | 3,304,556 | 0.26 |
| 1985* | 3,303,806 | 0.27 |
| 1984 | 3,434,530 | 0.41 |

* 53 weeks.
‡ Of continuing operations only.
† Adjusted to reflect stock split.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.16 | — | — |
| 1987 | 0.16 | — | — |
| 1986 | 0.16 | — | — |
| 1985 | 0.16 | — | — |
| 1984 | 0.16 | — | 2-for-1 |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 14,178,329 | $ 4.73 |
| 1987 | 14,593,338 | 4.57 |
| 1986 | 14,532,879 | 4.40 |
| 1985 | 13,947,591 | 4.22 |
| 1984 | 13,845,295 | 4.03 |

‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended | 7/30/88 | 8/1/87 |
|---|---|---|
| Net revenues | $ 35,195,974 | $ 34,890,005 |
| Cost of sales | 19,296,207 | 20,089,412 |
| Expenses | 14,482,417 | 13,243,535 |
| Interest expense | 73,360 | 83,157 |
| Income before taxes | $ 1,343,990 | $ 1,473,901 |
| Income taxes | 624,585 | 745,500 |
| Net Income | $ 719,405 | $ 728,401 |

* Included in Costs and Expenses, Depreciation and Amortization: $767,735 in 1988 and $713,467 in 1987.

**Assets**

| As of | 7/30/88 | 8/1/87 |
|---|---|---|
| Cash | $ 878,606 | $ 841,236 |
| Short-term investments | 2,100,000 | 3,799,954 |
| Accts. receiv., net | 281,398 | 369,870 |
| *Inventories | 10,892,098 | 9,283,768 |
| Prepaid expenses | 441,679 | 342,778 |
| Prepaid inc. taxes | 123,544 | — |
| Def. inc. taxes | 55,017 | — |
| Current Assets | $ 14,772,342 | $ 14,637,606 |
| #Fixed assets | 3,364,593 | 3,003,730 |
| Deferred costs of leases | 324,317 | 333,217 |
| Other assets | 1,067,831 | 897,854 |
| Total Assets | $ 19,529,083 | $ 18,872,407 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 2,939,957 | $ 2,211,914 |
| Accrued payroll | 577,815 | 383,483 |
| Accruals | 1,257,941 | 988,631 |
| Income taxes | — | 145,200 |
| Curr. Liabilities | $ 4,775,713 | $ 3,729,228 |
| Deferred compensation | 200,000 | 200,000 |
| Def. inc. taxes | 375,041 | 349,841 |
| +Common stock: | | |
| Class A | 408,712 | 402,977 |
| Class B | 391,184 | 395,762 |
| Add. paid-in capital | 1,195,699 | 1,187,355 |
| Retained earnings | 13,088,873 | 12,607,244 |
| Treasury stock | (906,139) | — |
| Total Liabilities & Shareholders' Equity | $ 19,529,083 | $ 18,872,407 |

* At lower of average cost (principally on the retail method) or market.
#Less accumulated depreciation and amortization.
+ 0.25 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 3.82 | 4.22 |
| %Net Income to Sales | 2.04 | 2.09 |
| %Net Income to Equity | 5.07 | 4.99 |
| Working Capital | $ 9,996,629 | $ 10,908,378 |
| Current Ratio | 3.09 | 3.93 |
| Shareholders' Equity | $ 14,178,329 | $ 14,593,338 |

## Tiffany & Co.

727 Fifth Avenue
New York, New York 10022
(212) 755-8000

**Officers:** William R. Chaney, chairman & chief exec. officer; Thomas A. Andruskevich, sr. v.p.-international & trade; John R. Loring, sr. v.p.-design; Brian E. Ohl, sr. v.p.-retail sales; Barry K. Dodson, group v.p.-corporate sales; James N. Fernandez, group v.p.-finance & chief financial officer; Patrick B. Dorsey, group v.p., gen. counsel & secretary; Michael Kowalski, group v.p.-merchandising; Suzanne McMillan, group v.p.-marketing; Peter C. Schneirla, group v.p.-merchandising; Dale S. Strohl, group v.p.-operations; Larry M. Segall, v.p. & controller; Robert J. Warren, v.p. & treasurer.

**Directors:** William R. Chaney, chairman; Samuel L. Hayes, III, Charles K. Marquis, William A. Shutzer, Jane Dudley, Geraldine Stutz.

**Business Activities:** Parent company of Tiffany and Company, which retails, designs, manufactures and distributes fine jewelry, timepieces, sterling silverware, china, crystal, stationery, leather goods, scarves, and fragrances. Tiffany sells these products through its nine retail stores located in selected major cities across the U.S., and stores in London, Munich, Zurich, and Hong Kong, and through selected independent retailers, direct marketing catalogs, sales to corporations, and sales to retailers in Japan.

**Subsidiary:**

Tiffany and Company

**Joint Ventures:**

Tiffany & Co. Limited
London, England
Operates a Tiffany store in London.

**Transfer Agent(s):**

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

**Stock Exchange(s):** New York

**Ticker Symbol:** TIF NOTE: Prior to Oct. 1, 1984, Tiffany and Company (The Predecessor) operated as a wholly-owned subsidiary of Avon Products, Inc. Effective Oct. 1, 1984, Tiffany & Co. (The Company) acquired all of the outstanding shares of the Predecessor (the acquisition).

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 14 | 1987 | 9 |
| 1988 | 10 | | |

**Sales & Earnings**

| | Net Sales | Net Income ‡ |
|---|---|---|
| 1/31/89 | $ 290,344,000 | $ 24,901,000 |
| 1/31/88 | 230,488,000 | 16,176,000 |
| 1/31/87 | 182,527,000 | 7,590,000 |
| 6/30/86 | 154,258,000 | 1,630,000 |
| 6/30/85+ | 111,453,000 | (4,832,000) |

| | No. of Com. Shares * | Earn. per Share ‡ * |
|---|---|---|
| 1/31/89 | 10,222,000 | $ 2.44 |
| 1/31/88 | 9,533,000 | 1.70 |
| 1/31/87 | 8,078,000 | 0.92 |
| 6/30/86 | 6,725,000 | 0.25 |
| 6/30/85+ | 7,508,000 | — |

(Loss)
+ 9 months.
‡ Including extraordinary gains of $608,000 ($0.08 per share) in 1987, $438,000 ($0.07 per share) in 1986 and extraordinary loss of $644,000 ($0.06 per share) in 1988.
* Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1/31/89 | $ 0.15 | — | — |
| 1/31/88 | — | — | |
| 1/31/87 | — | — | — |
| 6/30/86 | — | — | — |
| 6/30/85 | — | — | 4-for-1 ‡ |

‡ Effective Mar. 20, 1987.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1/31/89 | $ 99,193,000 | $ 9.70 |
| 1/31/88 | 71,621,000 | 7.51 |
| 1/31/87 | 12,862,000 | 1.59 |
| 6/30/86 | 4,319,000 | 0.64 |
| 6/30/85 | 2,702,000 | 0.36 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 290,344 | $ 230,488 |
| Cost of sales | 145,833 | 118,348 |
| Expenses | 99,323 | 77,003 |
| Prov. for uncollectible accts. | 995 | 1,446 |
| Interest expense | 826 | 2,174 |
| Other expense | 335 | 323 |
| Income before taxes | $ 43,032 | $ 31,194 |
| Income taxes | 18,131 | 14,374 |
| Net Income | $ 24,901 | $ 16,820 |
| Extraord. loss | — | (644) |
| Net Income & extraord. loss | $ 24,901 | $ 16,176 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,634,000 in 1989 and $1,118,000 in 1988.

**Assets**
(000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 1,599 | $ 12,861 |
| Accts. receiv., net | 25,525 | 25,710 |
| *Inventories | 103,771 | 70,778 |
| Prepaid expenses | 6,544 | 4,589 |
| Current Assets | $ 137,439 | $ 113,938 |
| #Fixed assets | 22,437 | 12,086 |
| Other assets | 2,772 | 645 |
| Total Assets | $ 162,648 | $ 126,669 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term borrowings | $ 7,253 | $ — |
| Accts. payable & accruals | 37,837 | 31,977 |
| Income taxes | 3,995 | 9,913 |
| Customer credits | 6,525 | 5,276 |
| Curr. Liabilities | $ 55,610 | $ 47,166 |
| Deferred inc. taxes | 6,198 | 6,075 |
| Other liabilities | 1,647 | 1,807 |
| +Common stock | 102 | 86 |
| Add. paid-in capital | 54,573 | 50,096 |
| Retained earnings | 45,047 | 21,530 |
| For. curr. trans. adjust. | (438) | — |
| Treasury stock | (91) | (91) |
| Total Liabilities & Shareholders' Equity | $ 162,648 | $ 126,669 |

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 14.82 | 13.53 |
| %Net Income to Sales | 8.58 | 7.30 |
| %Net Income to Equity | 25.10 | 23.48 |
| Sales to Inventories | 2.80 | 3.26 |
| Debt to Equity | 0.07 | — |
| Working Capital | $ 81,829,000 | $ 66,772,000 |
| Current Ratio | 2.47 | 2.42 |
| Shareholders' Equity | $ 99,193,000 | $ 71,621,000 |

## The TJX Companies, Inc.

(formerly Zayre Corp.)

770 Cochituate Road
Framingham, Massachusetts 01701
(508) 390-1000

**Officers:** Sumner L. Feldberg, chairman; Bernard Cammarata, president & chief exec. officer; Donald G. Campbell, sr. v.p. & chief financial officer; Richard Lesser, sr. v.p., & president-T.J. Maxx; Jay H. Meltzer, sr. v.p., general counsel & secretary; Alfred Appel, v.p.-corp. tax; Paul Butka, v.p.-production services; Armand Correia, v.p.-finance; Robert Hernandez, v.p.-data processing; Stanley Oldfield, v.p.-administrative services; Richard Stroller, v.p., & president-Chadwick's of Boston; Thomas Unrine, v.p., & president-Hit or Miss; David Weiner, v.p.-finance; Irving Ritz, v.p.-labor relations; Steven Wishner, v.p. & treasurer.

**Directors:** Stanley G. Feldberg, Sumner L. Feldberg, Burton S. Stern, Reva Korda, John W. Hennessey, Jr., Robert F. Shapiro, Adele S. Simmons, Maurice Segall, Charles J. Simons, Bernard Cammarata, Arthur F. Loewy.

**Business Activities:** Operates 308 "T.J. Maxx" discount family apparel stores and 508 "Hit or Miss" off-price ladies' apparel stores nationwide, as well as the "Chadwick's of Boston" off-price ladies' apparel mail order catalog.

**Divisions:**

T.J. Maxx
Hit or Miss
Chadwick's of Boston

**Transfer Agent(s):**

Boston Financial Data Services
2 Heritage Drive
Quincy, Massachusetts 02171

**Stock Exchange(s):** New York

**Ticker Symbol:** TJX

**Number of Stores:** (at fiscal year end)

| | Disc. Stores | Ladies Apparel Stores |
|---|---|---|
| 1989 | — | 306 |
| 1988 | 382 | 485 |
| 1987 | 362 | 461 |
| 1986 | 337 | 428 |
| 1985 | 290 | 401 |

| | Disc. Apparel Stores | Warehouse Clubs |
|---|---|---|
| 1989 | 308 | — |
| 1988 | 205 | 55 |
| 1987 | 226 | 43 |
| 1986 | 191 | 29 |
| 1985 | 156 | 15 |

**Sales & Earnings**

| | Net Sales ‡ (000's) | Net Income † (000's) |
|---|---|---|
| 1988 | $ 1,920,795 | $ (167,815) |
| 1987 | 1,643,712 | 143,312 |
| 1986* | 1,394,600 | 88,974 |
| 1985 | 1,149,414 | 94,647 |
| 1984 | 927,268 | 78,033 |

| | No. of Com. Shares + | Earn. Per Share †# |
|---|---|---|
| 1988 | 56,220,003 | $ — |
| 1987 | 56,107,244 | 2.44 |
| 1986* | 58,047,775 | 1.49 |
| 1985 | 58,746,596 | 1.61 |
| 1984 | 42,302,374 | 1.41 |

(Loss)
* 53 Weeks.
‡ Of continuing operations only.
† Including extraordinary loss of $3,432,000 ($0.06 per share) in 1986.
+ Adjusted to reflect stock dividend and stock splits.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.40 | — | — |
| 1987 | 0.40 | — | |
| 1986 | 0.32 | — | 2-for-1 |
| 1985 | 0.24 | — | 4-for-3 |
| 1984 | 0.15 | 10% | — |

+ Adjusted to reflect stock dividend and stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1988 | $ 543,492,000 | $ 9.67 |
| 1987 | 731,324,000 | 13.03 |
| 1986 | 652,314,000 | 11.24 |
| 1985 | 605,775,000 | 10.31 |
| 1984 | 498,057,000 | 11.77 |

+ Adjusted to reflect stock dividend and stock splits.

**Income Account * (000's)**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 1,920,795 | $ 1,643,712 |
| Cost of sales | 1,459,216 | 1,252,149 |
| Expenses | 334,133 | 280,994 |
| Restruc. costs | 12,000 | — |
| Interest exp. (inc.) & cap. lease oblig. | (552) | 8,520 |
| Gain on sale of min. int. | — | (161,864) |
| Income before taxes | $ 115,998 | $ 263,913 |
| Income taxes | 46,265 | 112,923 |
| Minority interest | 14,594 | 7,871 |
| Inc. - cont. oper. | $ 55,139 | $ 143,119 |
| Loss - discont. oper. | (222,954) | (20,343) |
| Cum. effect of accatng. change | — | 20,536 |
| Net Income (Loss) | $ (167,815) | $ 143,312 |

* Included in Costs and Expenses, Depreciation and Amortization: $36,393,000 in 1988 and $29,620,000 in 1987.

**Assets (000's)**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & cash equiv. | $ 122,711 | $ 51,544 |
| Note receiv. from Ames | 200,000 | — |
| Inc. taxes recov. | 26,699 | 10,959 |
| Accts. receiv., net | 23,070 | 11,020 |
| *Inventories | 420,447 | 299,030 |
| Prepaid expenses | 11,562 | 14,369 |
| Net assets - discont. oper. | 130,645 | 517,952 |
| Current Assets | $ 935,134 | $ 904,874 |
| Invest. in Ames | 140,000 | — |
| #Fixed assets | 253,641 | 215,108 |
| Leased prop. under cap. leases | 1,859 | 4,296 |
| Other assets | 19,515 | 17,847 |
| Net assets - discont. oper. | 111,669 | 358,280 |
| Total Assets | $ 1,461,818 | $ 1,500,405 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 32,701 | $ 3,393 |
| Accts. payable | 223,305 | 173,199 |
| Accruals | 195,649 | 103,860 |
| Oblig. under cap. leases | 1,027 | 934 |
| Curr. Liabilities | $ 452,682 | $ 281,386 |
| Long-term debt | 310,290 | 314,682 |
| Oblig. under cap. leases | 1,537 | 2,253 |
| Deferred inc. taxes | 100,251 | 126,992 |
| Minority interest | 53,566 | 43,768 |
| +Common stock | 56,620 | 56,842 |
| Add. paid-in capital | 175,977 | 181,700 |
| Retained earnings | 320,978 | 511,825 |
| Treasury stock | (10,083) | (19,043) |
| Total Liabilities & Shareholders' Equity | $ 1,461,818 | $ 1,500,405 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 16.79 |
| Sales to Inventories | 4.57 | 5.50 |
| Debt to Equity | 0.64 | 0.44 |
| Working Capital | $ 482,452,000 | $ 623,488,000 |
| Current Ratio | 2.07 | 3.22 |
| Shareholders' Equity | $ 543,492,000 | $ 731,324,000 |

## Tons of Toys, Inc.

Wareham Industrial Park
11 Kendrick Road
Wareham, Massachusetts 02571
(508) 295-2003

**Officers:** Bruno R. Ferretti, chairman, president & secretary; Frederick H. Young, exec. v.p. & treasurer; John J. Collins, sr. v.p.-store operations; Raymond A. Ferretti, sr. v.p.-sales & promotion; Scott R. LaFond, v.p.-human resources; Thomas F. Downes, v.p.-distribution.

**Directors:** Bruno R. Ferretti, chairman; James M. Hyman, Edward T. McPhee, Jr., Donald W. Lafler, Frederick H. Young.

**Business Activities:** Operates a chain of 23 retail toy supermarkets in Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont under the name "Tons of Toys."

**Transfer Agent(s):**

Bank of Boston
P.O. Box 2016
Boston, Massachusetts 02106

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** TONS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 23 | 1986 | 4 |
| 1988 | 12 | 1985 | 3 |
| 1987 | 6 | | |

**Sales & Earnings**

| | Net Sales | Net Income † |
|---|---|---|
| 1989 | $ 24,655,522 | $ (1,791,524) |
| 1988* | 10,373,020 | 377,778 |
| 1987 | 6,852,376 | (286,341) |
| 1986 | 4,560,868 | (418,677) |
| 1985 | 4,332,718 | (16,149) |

| | No. of Com. Shares ‡ | Earn. per Share † ‡ |
|---|---|---|
| 1989 | 2,505,000 | $ — |
| 1988* | 2,370,000 | 0.16 |
| 1987 | 1,159,000 | — |
| 1986 | 1,070,000 | — |
| 1985 | 1,070,000 | — |

(Loss)
* 8 months.
† Including extraordinary gain of $131,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect recapitalization.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 3,488,893 | $ 1.39 |
| 1988 | 4,066,971 | 1.72 |
| 1987 | 3,689,193 | 3.18 |
| 1986 | (326,776) | — |
| 1985 | 91,901 | 0.09 |

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect recapitalization.

**Income Account * (8 months)**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 24,655,522 | $ 10,373,020 |
| Cost of sales | 17,517,482 | 6,750,849 |
| Occupancy expenses | 7,034,377 | 2,404,301 |
| Adm. & gen. expenses | 1,850,261 | 823,672 |
| Interest expense (income) | 308,441 | (24,580) |
| Income (loss) bef. taxes | $ (2,055,039) | $ 418,778 |
| Income taxes | — | 172,000 |
| Net Income (Loss) | $ (2,055,039) | $ 246,778 |
| Extraord. gain | — | 131,000 |
| Cum. effect of acct. change | 263,515 | — |
| Net Income (Loss) & extraord. gain | $ (1,791,524) | $ 377,778 |

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 774,179 | $ 370,587 |
| *Inventories | 11,325,203 | 4,920,679 |
| Deferred costs | 178,604 | 91,096 |
| Prepaid expenses | 265,181 | 173,400 |
| Current Assets | $ 12,543,167 | $ 5,555,762 |
| #Fixed assets | 2,657,238 | 1,385,041 |
| Other assets | 270,758 | — |
| Total Assets | $ 15,471,163 | $ 6,940,803 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 625,075 | $ 309,334 |
| Accts. payable | 5,229,552 | 1,764,820 |
| Accruals | 241,225 | 74,607 |
| State taxes payable | — | 42,750 |
| Curr. Liabilities | $ 6,095,852 | $ 2,191,511 |
| Subord. long-term debt | 5,000,000 | — |
| Long-term debt | 886,418 | 682,321 |
| +Common stock | 26,169 | 23,700 |
| Add. paid-in capital | 5,493,587 | 4,282,610 |
| Retained earnings (deficit) | (2,030,863) | (239,339) |
| Total Liabilities & Shareholders' Equity | $ 15,471,163 | $ 6,940,803 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

**Statistical Summary**

| | | | |
|---|---|---|---|
| %Income bef. Taxes to Sales | | — | 4.04 |
| %Net Income to Sales | | — | 2.38 |
| %Net Income to Equity | | — | 6.07 |
| Sales to Inventories | | 2.18 | 2.11 |
| Debt to Equity | | 1.87 | 0.24 |
| Working Capital | $ 6,447,315 | $ 3,364,251 | |
| Current Ratio | | 2.06 | 2.54 |
| Shareholders' Equity | $ 3,488,893 | $ 4,066,971 | |

## Toys "R" Us, Inc.

461 From Road
Paramus, New Jersey 07652
(201) 262-7800

**Officers:** Charles Lazarus, chairman of the board & chief exec. officer; Michael Goldstein, vice chairman & chief financial & administrative officer; Robert C. Nakasone, vice chairman, & president-Worldwide Toy Stores; Roger V. Goddu, exec. v.p. & general merchandise mgr.-Toys "R" Us United States; Van H. Butler, sr. v.p.-marketing & divisional merchandise mgr.; Ronald Tuchman, sr. v.p. & divisional merchandise manager-Toys "R" Us United States; Howard W. Moore, exec. v.p. & general merchandise mgr.-Toys "R" Us United States; Van H. Butler, sr. v.p.-marketing & divisional mdse. mgr.-Toys "R" Us United States; Robert J. Weinberg, sr. v.p. & divisional merchandise mgr.-Toys "R" Us United States; Dennis Healey, v.p.-management information systems; Donald L. Margolis, v.p.-controller; Michael P. Miller, sr. v.p.-real estate; Bruce C. Hall, sr. v.p.-store merchandising & support services; Stephen W. Austin, v.p.-real estate; Michael L. Tumolo, v.p.-real estate counsel; Joseph R. Baczko, pres.-Toys "R" Us-International; Michael M. Searles, pres.-Kids "R" Us; Lester Yassky, secretary, attorney-at-law; Louis Lipschitz, v.p.-treasurer; Eric Swartwood, v.p.-architecture & construction; Lorelei J. Yudice, v.p. & general merchandise manager-Kids "R" Us; Philip Bloom, v.p. & general merchandise manager-Toys "R" Us Int'l..

**Directors:** Charles Lazarus, chairman of the board; Albert E. Christie, Milton S. Gould, Norman Ricken, Norman M. Schneider, Harold M. Wit, Moses Shapiro, Robert A. Bernhard, Howard W. Moore, Michael Goldstein, Robert C. Nakasone.

**Business Activities:** Operates 358 Toys "R" Us toy stores in the U.S. and 52 internationally, and 112 Kids "R" Us children's clothing stores. Toys "R" Us stores are located in 39 states, Canada (23), the United Kingdom (18), West Germany (7), Hong Kong (1), Singapore (2), and Malaysia (1); Kids "R" Us stores are located in 17 states, primarily in the Northeast and Midwest.

**Subsidiaries:**

Toys "R" Us (U.K.) Ltd.
Toys "R" Us (Canada) Ltd.
Toys "R" Us-Metro (Singapore) Pte Ltd.
Toys "R" Us (West Germany) GmbH
Toys "R" Us-Lifung (Hong Kong)
Toys "R" Us (France) S.A.R.L.

**Transfer Agent(s):**

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

**Stock Exchange(s):** New York

**Ticker Symbol:** TOY

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 522 | 1986 | 273 |
| 1988 | 428 | 1985 | 217 |
| 1987 | 342 | | |

**Sales & Earnings**

| | Net Sales + | Net Income |
|---|---|---|
| 1989 | $ 4,000,192,000 | $ 268,024,000 |
| 1988 | 3,136,568,000 | 203,922,000 |
| 1987 | 2,444,903,000 | 152,217,000 |
| 1986 | 1,976,134,000 | 119,774,000 |
| 1985* | 1,701,700,000 | 111,424,000 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1989 | 131,637,038 | $ 2.04 |
| 1988 | 130,530,467 | 1.56 |
| 1987 | 127,110,608 | 1.17 |
| 1986 | 126,080,874 | 0.93 |
| 1985* | 124,730,886 | 0.87 |

* 53 weeks.
+ Including leased depts.
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents adjusted to reflect reduction in the number of shares deemed outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | — |
| 1987 | — | — | 3-for-2 |
| 1986 | — | — | — |
| 1985 | — | — | 3-for-2 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 1,423,687,000 | $ 10.82 |
| 1988 | 1,135,321,000 | 8.70 |
| 1987 | 901,041,000 | 7.09 |
| 1986 | 717,394,000 | 5.69 |
| 1985 | 579,113,000 | 4.64 |

‡ Adjusted to reflect stock splits.

**Income Account**
(000's)

| Year ended | 1/29/89 | 1/31/88 |
|---|---|---|
| Net sales | $ 4,000,192 | $ 3,136,568 |
| Cost of sales | 2,766,543 | 2,157,017 |
| Expenses | 736,329 | 584,120 |
| Depreciation & amortization | 54,564 | 43,716 |
| Interest expense | 25,812 | 13,849 |
| Interest income | (11,880) | (8,056) |
| Income before taxes | $ 428,824 | $ 345,922 |
| Income taxes | 160,800 | 142,000 |
| Net Income | $ 268,024 | $ 203,922 |

**Assets**
(000's)

| As of | 1/29/89 | 1/31/88 |
|---|---|---|
| Cash | $ 122,912 | $ 45,996 |
| Accts. receiv., net | 68,030 | 62,144 |
| *Inventories | 931,120 | 772,633 |
| Prepaid expenses | 10,822 | 5,050 |
| Current Assets | $ 1,132,884 | $ 886,023 |
| #Fixed assets | 1,388,052 | 1,113,119 |
| Prop. under cap. leases | 8,910 | 11,397 |
| Other assets | 25,114 | 16,520 |
| Total Assets | $ 2,554,960 | $ 2,027,059 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term notes | $ 76,133 | $ 17,657 |
| Accts. payable | 505,370 | 403,105 |
| Accruals | 240,928 | 169,227 |
| Inc. taxes pay. | 55,839 | 71,003 |
| Curr. Liabilities | $ 878,270 | $ 660,992 |
| Long-term debt | 159,888 | 159,788 |
| Cap. lease oblig. | 14,296 | 17,602 |
| Deferred inc. taxes | 78,819 | 53,356 |
| + Common stock | 13,164 | 13,053 |
| Add. paid-in capital | 305,739 | 252,493 |
| Retained earnings | 1,122,445 | 854,421 |
| For. curr. trans. adjust. | 28,049 | 23,586 |
| Treasury stock | (43,407) | (5,929) |
| Receiv. from stock options | (2,303) | (2,303) |
| Total Liabilities & Shareholders' Equity | $ 2,554,960 | $ 2,027,059 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.72 | 11.03 |
| %Net Income to Sales | 6.70 | 6.50 |
| %Net Income to Equity | 18.83 | 17.96 |
| Sales to Inventories | 4.30 | 4.06 |
| Debt to Equity | 0.18 | 0.17 |
| Working Capital | $ 254,614,000 | $ 225,031,000 |
| Current Ratio | 1.29 | 1.34 |
| Shareholders' Equity | $ 1,423,687,000 | $ 1,135,321,000 |

## Trak Auto Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

(a majority-owned subsidiary of Dart Group Corporation)

**Officers:** Herbert H. Haft, chairman & chief exec. officer; Robert M. Haft, president; Thomas V. Reilly, exec. v.p.; Carl E. Gladfelter, exec. v.p.; Gloria G. Haft, v.p.; Richard J. Koll, treasurer & chief financial officer.

**Directors:** Herbert H. Haft, chairman of the board; Robert M. Haft, Gloria G. Haft, Warren E. Tydings, James G. Leonard, Claudine B. Malone, Richard Koll.

**Business Activities:** Engaged in the retail sale of quality brand name automobile parts and accessories for the do-it-yourself market through 274 discount specialty stores in the Washington, D.C., Richmond, Virginia, Baltimore, Maryland, Los Angeles, California, and Chicago, Illinois, areas.

**Subsidiary:**

Trak Corporation

**Transfer Agent(s):**

Riggs National Bank
Washington, Washington D.C.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** TRKA (NASDAQ)

**Number of Stores:** (at fiscal year end)*

| | | | |
|---|---|---|---|
| 1988 | 274 | 1985 | 93 |
| 1987 | 251 | 1984 | 56 |
| 1986 | 217 | | |

* Excludes previous joint venture with Thrifty Corporation.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 243,107,000 | $ 2,790,000 |
| 1988 | 212,166,000 | 4,653,000 |
| 1987 | 183,667,000 | 1,270,000 |
| 1986 | 97,833,000 | 797,000 |
| 1985 | 73,834,000 | 3,223,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 5,879,000 | $ 0.47 |
| 1988 | 6,002,000 | 0.78 |
| 1987 | 6,008,000 | 0.21 |
| 1986 | 5,998,000 | 0.13 |
| 1985 | 5,997,000 | 0.54 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 61,244,000 | $ 10.42 |
| 1988 | 59,061,000 | 9.84 |
| 1987 | 55,304,000 | 9.21 |
| 1986 | 54,026,000 | 9.01 |
| 1985 | 53,229,000 | 8.88 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 243,107,000 | $ 212,166,000 |
| Other income | 1,094,000 | 1,557,000 |
| Total income | $ 244,201,000 | $ 213,723,000 |
| Cost of sales | 195,555,000 | 167,500,000 |
| Expenses | 39,018,000 | 33,253,000 |
| Depreciation & amortization | 2,626,000 | 2,222,000 |
| Interest expense | 2,378,000 | 2,416,000 |
| Income before taxes | $ 4,624,000 | $ 8,332,000 |
| Income taxes | 1,834,000 | 3,679,000 |
| Net Income | $ 2,790,000 | $ 4,653,000 |

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 5,615,000 | $ 8,089,000 |
| Short-term invest. | 2,891,000 | 16,091,000 |
| Accts. receiv., net | 6,976,000 | 5,119,000 |
| Due from affil. | — | 66,000 |
| *Inventories | 82,185,000 | 70,251,000 |
| Other curr. assets | 902,000 | 726,000 |
| Current Assets | $ 98,569,000 | $ 100,342,000 |
| #Fixed assets | 26,733,000 | 21,866,000 |
| Deferred taxes | 1,100,000 | 1,100,000 |
| Other assets | 1,000 | 38,000 |
| Total Assets | $ 126,403,000 | $ 123,346,000 |

**Liabilities**

| | | |
|---|---|---|
| Cap. lease oblig., curr. | $ 902,000 | $ 838,000 |
| Accts. payable | 39,931,000 | 40,854,000 |
| Accrued payroll | 3,018,000 | 2,049,000 |
| Accrued taxes | 1,840,000 | 1,458,000 |
| Other accruals | 4,299,000 | 3,276,000 |
| Income taxes payable | 134,000 | 311,000 |
| Due to affil. | 50,000 | — |
| Curr. Liabilities | $ 50,174,000 | $ 48,786,000 |
| Cap. lease oblig. | 14,985,000 | 15,499,000 |
| +Common stock | 60,000 | 60,000 |
| Add. paid-in capital | 41,289,000 | 41,289,000 |
| Retained earnings | 21,398,000 | 18,608,000 |
| Treasury stock | (1,503,000) | (896,000) |
| Total Liabilities & Shareholders' Equity | $ 126,403,000 | $ 123,346,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.90 | 3.93 |
| %Net Income to Sales | 1.15 | 2.19 |
| %Net Income to Equity | 4.56 | 7.88 |
| Sales to Inventories | 2.96 | 3.02 |
| Debt. to Equity | 0.26 | 0.28 |
| Working Capital | $ 48,395,000 | $ 51,556,000 |
| Current Ratio | 1.96 | 2.06 |
| Shareholders' Equity | $ 61,244,000 | $ 59,061,000 |

## Tuesday Morning, Inc.

14621 Inwood Road
Dallas, Texas 75244
(214) 387-3562

**Officers:** Lloyd L. Ross, chairman of the board, president & chief executive officer; Edward J. Lysen, sr. v.p.-distribution & chief financial officer; Stephen L. Higgins, sr. v.p.-buying; Jack A. Phelps, v.p. & dir.-stores; Marshall Cooper, v.p.-distribution; Jerry M. Smith, sr. v.p.-advertising, public relations & stores.

**Directors:** Lloyd L. Ross, chairman; Edward J. Lysen, Sheldon Frankel, Richard J. Silk.

**Areas of Work:** Operates 101 deep discount retail stores in 18 states, principally in the South, under the name Tuesday Morning. These stores are open only for four sales events each year, each sales event lasting four to eight weeks. Love That Store, Inc., a wholly owned subsidiary, operates a chain of 12 stores in the Dallas metropolitan area specializing in the sale of household merchandise, under the name "Love That Store."

**Subsidiary:**

Love That Store, Inc.

**Transfer Agent(s):**

NCNB Texas National Bank
Corporate Trust Department
P.O. Box 2964
Dallas, Texas 75221

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** TUES (NASDAQ)

**Number of Stores:***

| | | | |
|---|---|---|---|
| 1988 | 101 | 1986 | 71 |
| 1987 | 85 | 1985 | 63 |

* Tuesday Morning stores only.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 81,624,706 | $ 3,517,396 |
| 1987 | 72,867,000 | 4,017,000 |
| 1986 | 62,204,000 | 3,612,000 |
| 1985 | 52,830,000 | 2,502,000 |
| 1984 | 41,300,000 | (357,000) |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 3,902,000 | $ 0.90 |
| 1987 | 3,968,000 | 1.01 |
| 1986 | 3,735,000 | 0.97 |
| 1985 | 2,740,000 | 0.91 |
| 1984 | 2,740,000 | — |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | — | — | — |
| 1987 | — | — | |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 29,278,000 | $ 7.50 |
| 1987 | 25,620,000 | 6.46 |
| 1986 | 21,594,000 | 5.78 |
| 1985 | 8,424,000 | 3.07 |
| 1984 | 5,922,000 | 2.16 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Income Account ***

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 81,624,706 | $ 72,867,412 |
| Cost of sales | 47,228,241 | 42,902,408 |
| Expenses | 28,682,420 | 23,247,068 |
| Interest expense | 933,496 | 356,898 |
| Interest income | (317,494) | (310,560) |
| Other income | (231,345) | (8,337) |
| Income before taxes | $ 5,329,388 | $ 6,679,935 |
| Income taxes | 1,811,992 | 2,662,715 |
| Net Income | $ 3,517,396 | $ 4,017,220 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,214,601 in 1988 and $925,664 in 1987.

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 13,716,520 | $ 11,907,524 |
| Inc. tax receiv. | 253,329 | — |
| *Inventories | 14,583,183 | 12,486,259 |
| Prepaid expenses | 532,504 | 542,514 |
| Other curr. assets | 454,728 | 824,467 |
| Current Assets | $ 29,540,264 | $ 25,760,764 |
| #Fixed assets | 14,378,894 | 12,571,926 |
| Receivable from officer | 151,380 | 151,380 |
| Other assets | 351,030 | 329,335 |
| Total Assets | $ 44,421,568 | $ 38,813,405 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 851,132 | $ 657,868 |
| Accts. payable | 3,778,933 | 1,990,161 |
| Accrued taxes | 804,926 | 790,366 |
| Other accruals | 670,516 | 601,759 |
| Income taxes | — | 353,079 |
| Curr. Liabilities | $ 6,105,507 | $ 4,393,233 |

| | | |
|---|---|---|
| Long-term debt | 7,890,321 | 7,930,197 |
| Deferred inc. taxes | 1,147,564 | 870,260 |
| +Common stock | 39,171 | 38,759 |
| Add paid-in capital | 9,708,662 | 9,568,009 |
| Retained earnings | 19,530,343 | 16,012,947 |
| Total Liabilites & Shareholders' Equity | $ 44,421,568 | $ 38,813,405 |

° At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.53 | 9.17 |
| %Net Income to Sales | 4.31 | 5.51 |
| %Net Income to Equity | 12.01 | 15.68 |
| Sales to Inventories | 5.60 | 5.84 |
| Debt to Equity | 0.30 | 0.34 |
| Working Capital | $ 23,434,757 | $ 21,397,807 |
| Current Ratio | 4.84 | 5.87 |
| Shareholders' Equity | $ 29,278,176 | $ 25,619,715 |

## The United States Shoe Corporation

One Eastwood Drive
Cincinnati, Ohio 45227
(513) 527-7000

**Officers:** Philip G. Barach, chairman of the board, president & chief executive officer; Howard Platt, exec. v.p. & president-footwear wholesaling & retailing; Robert J. Petrik, v.p. & treasurer; Martin Sherman, sr. v.p. & chief exec. officer-Retail Development & Services Div.; James J. Crowe, v.p., secretary & gen. counsel; Edward Klee, v.p.-finance; Edwin C. Gerth, v.p. & controller; Robert Stix, sr., v.p.-mfg. & operations.

**Directors:** Philip G. Barach, chairman; John F. Lebor, Harold O. Toor, Gilbert Hahn, Jr., Daniel G. Ross, Albert M. Kronick, John L. Roy, Joseph H. Anderer, Philip L. Lowe, Lorrence T. Kellar.

**Business Activities:** The Company owns and operates 458 shoe stores and leased departments, 1,758 women's apparel specialty stores, and shoe manufacturing facilities. Also operates 278 optical retail stores in the U.S. and nine in Canada, and engages in direct mail marketing.

**Retail Divisions and Subsidiaries:**

The Banister Shoe Company
Operates factory outlet shoe stores in 27 states.

Wm. Hahn Co.
7600 Jefferson Avenue
Landover, Maryland 20785
(202) 322-4550
Operates women's and men's shoe stores in 15 states and Washington, D.C., under the name Hahn Shoes. Also operates U.S. Shoe concepts stores in 14 states and Washington, D.C.

Up's N Downs
Operates 397 stores offering moderately priced sportswear for women aged 17 to 29.

Caren Charles
Operates 194 stores selling medium-priced apparel for women aged 25 to 50.

August Max
95-24 63rd Road
Rego Park, New York 11374
(212) 274-9055
Operates 13 stores targeted for older, affluent female clientele.

Cincinnati Shoe Co.
11445 Century Boulevard
Cincinnati, Ohio
(513) 731-2800
Operates approximately 50 shoe specialty stores and 130 leased footwear departments.

Cabaret
Operates 15 stores offering fashion accessories for younger women.

Casual Corner
107 Phoenix Avenue
Enfield, Connecticut 06082
(203) 741-0771
Operates 756 women's apparel stores primarily located in shopping malls.

T.H. Mandy
Operates 20 stores offering brand-name apparel at discounted prices.

Petite Sophisticate
Apparel retailer operating 237 stores specializing in clothes made for smaller women.

Career Image
Operates 50 stores retailing apparel of medium-to-better quality for the working woman.

Nicole Summers
Specialty mail order catalog specializing in women's apparel for sizes 10 to 20.

Lenscrafters
Operates 287 eyewear stores in approximately 100 metropolitan areas.

Optica
Operates two upscale eyewear stores in Florida and California.

Goggles
Operates seven eyewear stores that offer non-prescription sunglasses.

**Transfer Agent(s):**

Morgan Shareholder Services Trust Company
New York, New York

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** USR

**Number of Retail Units:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 2,503 | 1985 | 2,047 |
| 1987 | 2,327 | 1984 | 2,603 |
| 1986 | 2,267 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 2,343,045,000 | $ 12,965,000 |
| 1987 | 2,167,554,000 | 52,065,000 |
| 1986 | 2,003,246,000 | 25,472,000 |
| 1985 | 1,920,225,000 | 64,875,000 |
| 1984° | 1,717,401,000 | 53,423,000 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1988 | 44,530,996 | $ 0.29 |
| 1987 | 44,172,786 | 1.16 |
| 1986 | 44,365,872 | 0.57 |
| 1985 | 43,949,554 | 1.46 |
| 1984° | 43,578,138 | 1.21 |

° 53 weeks.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share quivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend † | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.46 | — | — |
| 1987 | 0.46 | — | — |
| 1986 | 0.46 | — | 2-for-1 |
| 1985 | 0.44 1/2 | — | — |
| 1984 | 0.41 3/4 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share † |
|---|---|---|
| 1988 | $ 516,632,000 | $ 11.60 |
| 1987 | 518,393,000 | 11.74 |
| 1986 | 488,818,000 | 11.03 |
| 1985 | 477,344,000 | 10.86 |
| 1984 | 427,828,000 | 9.82 |

† Adjusted to reflect stock split.

**Income Account ° (000's)**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 2,343,045 | $ 2,167,554 |
| Cost of sales | 1,328,807 | 1,252,293 |
| Expenses | 941,907 | 846,182 |
| Interest expense | 27,188 | 17,442 |
| Other expense (income) | 24,399 | (9,321) |
| Income before taxes | $ 20,744 | $ 60,958 |
| Income taxes | 7,779 | 24,935 |
| Cum. effect of acct. change | — | (16,042) |
| Net Income | $ 12,965 | $ 52,065 |

° Included in Costs and Expenses, Depreciation and Amortization: $65,855,000 in 1989 and $54,768,000 in 1988.

**Assets (000's)**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 10,117 | $ 22,089 |
| Fut. tax benefits | 28,410 | 26,383 |
| Receiv., net | 134,751 | 130,902 |
| °Inventories | 406,921 | 404,494 |
| Current Assets | $ 580,199 | $ 583,868 |
| #Fixed assets | 473,486 | 453,695 |
| Other assets | 57,703 | 63,068 |
| Total Assets | $ 1,111,388 | $ 1,100,631 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Unsecured notes payable | $ — | $ 57,688 |
| Notes payable & long-term debt, curr. | 27,245 | 15,546 |
| Accts. payable | 207,181 | 221,819 |
| Accruals | 89,944 | 74,200 |
| Curr. Liabilities | $ 324,370 | $ 369,253 |
| Long-term debt | 187,723 | 142,655 |
| Cap. lease oblig. | 14,651 | 11,754 |
| Deferred inc. taxes | 56,987 | 51,427 |
| Deferred credits | 11,025 | 7,149 |
| +Common stock | 57,896 | 52,174 |
| Retained earnings | 458,746 | 466,219 |
| Total Liabilities & Shareholders' Equity | $ 1,111,388 | $ 1,100,631 |

° At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.89 | 2.81 |
| %Net Income to Sales | 0.55 | 2.40 |
| %Net Income to Equity | 2.51 | 10.04 |
| Sales to Inventories | 5.76 | 5.36 |
| Debt to Equity | 0.44 | 0.44 |
| Working Capital | $ 255,829,000 | $ 214,615,000 |
| Current Ratio | 1.79 | 1.58 |
| Shareholders' Equity | $ 516,632,000 | $ 518,393,000 |

## Village Super Market, Inc.

733 Mountain Avenue
Springfield, New Jersey 07081
(201) 467-2200

**Officers:** Nicholas Sumas, chairman of the board; Perry Sumas, chief executive officer & president; James Sumas, chief operating officer, v.p. & treasurer; Robert Sumas, v.p. & secretary; John Sumas, v.p.; William Sumas, v.p.; Kevin Begley, controller; Carol Lawton, v.p. & asst. secretary; Frank Sauro, general counsel.

**Directors:** Nicholas Sumas, chairman; Perry Sumas, James Sumas, George J. Andresakes, Robert Sumas, John Sumas, John J. McDermott, William Sumas.

**Business Activities:** Operates a chain of 27 "Shop-Rite" supermarkets located in New Jersey and Pennsylvania. Also operates a liquor store and a variety store.

**Subsidiaries:**

Supermill, Inc.
Easton Shop-Rite, Inc.
Village Liquor, Inc.
Washington Associates, Inc.
Supermarket Management Services Co., Inc.
Starns Markets, Inc.

**Transfer Agent(s):**

Midlantic National Bank
Edison, New Jersey

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** VLGEA (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 29 | 1985 | 24 |
| 1987 | 28 | 1984 | 24 |
| 1986 | 27 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988* | $ 621,467,617 | $ 6,140,236 |
| 1987 | 567,395,000 | 4,173,000 |
| 1986 | 402,930,000 | 3,232,000 |
| 1985 | 379,398,000 | 2,719,000 |
| 1984 | 342,806,000 | 35,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988* | 3,343,376 | $ 1.84 |
| 1987 | 2,411,869 | 1.73 |
| 1986 | 2,343,376 | 1.38 |
| 1985 | 2,343,376 | 1.16 |
| 1984 | 2,343,376 | 0.02 |

* 53 weeks.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.25 | — | — |
| 1987 | 0.20 | — | — |
| 1986 | 0.15 | — | — |
| 1985 | 0.15 | — | — |
| 1984 | 0.19 | — | — |

+ Based on Class A and Class B shares adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Earn. per Share ‡ |
|---|---|---|
| 1988 | $ 47,501,369 | $ 14.21 |
| 1987 | 41,783,636 | 17.32 |
| 1986 | 20,349,064 | 8.68 |
| 1985 | 17,311,226 | 7.39 |
| 1984 | 14,786,264 | 6.31 |

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

**Income Account**

| Year ended | 7/30/88 (53 weeks) | 7/25/87 |
|---|---|---|
| Net sales | $ 621,467,617 | $ 567,395,053 |
| Cost of sales | 476,043,033 | 438,388,082 |
| Expenses | 124,119,996 | 109,001,918 |
| Depreciation & amortization | 6,537,062 | 6,004,058 |
| Interest expense | 4,345,290 | 5,304,783 |
| Inc. bef. taxes | $ 10,422,236 | $ 8,696,212 |
| Income taxes | 4,282,000 | 4,523,000 |
| Net Income | $ 6,140,236 | $ 4,173,212 |

**Assets**

| As of | 7/30/88 | 7/25/87 |
|---|---|---|
| Cash | $ 7,567,942 | $ 11,710,663 |
| Receiv., net | 4,799,296 | 3,929,407 |
| *Inventories | 20,762,968 | 17,616,659 |
| Prepaid expenses | 674,790 | 540,196 |
| Inc. taxes receiv. | 599,810 | — |
| Current Assets | $ 34,404,806 | $ 33,796,925 |
| Investments | 5,368,127 | 4,128,000 |
| #Fixed assets | 65,955,677 | 58,355,332 |
| Other assets | 1,712,716 | 1,633,308 |
| Intangibles | 17,302,909 | 17,822,939 |
| Total Assets | $ 124,744,235 | $ 115,736,504 |

**Liabilities**

| | | |
|---|---|---|
| Long-term debt, curr. | $ 1,204,743 | $ 1,518,350 |
| Cap. lease oblig., curr. | 309,257 | 347,109 |
| Accts. payable & accruals | 27,802,697 | 27,967,979 |
| Income taxes | — | 1,466,422 |
| Def. inc. taxes pay. | 502,000 | — |
| Curr. Liabilities | $ 29,818,697 | $ 31,299,860 |
| Notes & mortg. payable | 29,910,932 | 26,033,953 |
| Capitalized lease oblig. | 13,451,724 | 13,763,542 |
| Deferred inc. taxes | 4,061,513 | 2,855,513 |
| + Class A common stock | 18,103,251 | 18,103,251 |
| + Class B common stock | 1,037,275 | 1,037,275 |
| Retained earnings | 28,405,843 | 22,688,110 |
| Treasury stock | (45,000) | (45,000) |
| Total Liabilities & Shareholders' Equity | $ 124,744,235 | $ 115,736,504 |

* Perishables at (FIFO) cost; dairy, frozen foods, liquor at FIFO; grocery and non-foods at LIFO.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 1.68 | 1.53 |
| % Net Income to Sales | 0.99 | 0.74 |
| % Net Income to Equity | 12.93 | 9.99 |
| Sales to Inventories | 29.93 | 48.84 |
| Debt to Equity | 0.94 | 1.00 |
| Working Capital | $ 4,586,109 | $ 2,497,065 |
| Current Ratio | 1.15 | 1.08 |
| Shareholders' Equity | $ 47,501,369 | $ 41,783,636 |

## The Vons Companies, Inc.

10150 Lower Azusa Road
El Monte, California 91731
(818) 579-1400

Mailing Address:
P.O. Box 3338, Terminal Annex
Los Angeles, California 90051

**Officers:** Roger E. Stangeland, chairman of the board & chief executive officer; William S. Davila, president & chief operating officer; Robert P. Bermingham, sr. v.p., secretary & general counsel; Michael F. Henn, exec. v.p. & chief financial officer; Garrett R. Nelson, exec. v.p.-retail support services; Stuart A. Rosenthal, exec. v.p.-marketing & merchandising; Peter M. Horn, III, sr. v.p. & gen. mgr.-Vons Supermarkets; Kenneth F. Sekella, sr. v.p.-human resources; Charles J. Stos, sr. v.p.-distribution & manufacturing; Robert J. Kelly, sr. v.p.-procurement/merchandising; Robert J. Kelly, group v.p. & gen. mgr.-Pavilions; Philip L. Maslowe, group v.p.-finance; Joseph F. Raymond, sr. v.p. & gen. mgr.-pavilions; Benjamin F. Harrington, sr. v.p.-Jerseymaid Milk Products; Christopher T. Linskey, v.p. & gen. mgr.-tianguis; Harvey S. Durand, group v.p.-drug stores; Donald R. Hays, group v.p.-operations; Lester L. Lorge, group v.p.-sales & advertising.

**Directors:** Roger E. Stangeland, chairman; Fritz L. Duda, Hamilton E. James, Peter T. Joseph, Sidney Lapidus, Howard H. Newman, Jack C. Shewmaker, William Y. Tauscher, Robert L. MacDonnell, Peter A. Magowan.

**Business Activities:** Operates 350 supermarkets and food-and-drug combination stores throughout southern California and Clark County, Nevada, under the names Vons Supermarkets (255), Vons Food and Drug Combination Stores (67), Pavilions/Pavilions Place (25), and Tianguis (3). Also operates a bakery and processes food and dairy products.

**Acquisition:**

The Company acquired substantially all of the Safeway Southern California operations in August 1988.

**Transfer Agent(s):**

National Bank of Detroit
Shareholder Transfer Department
P.O. Box 330751
Detroit, Michigan 48232

**Stock Exchange(s):** New York

**Ticker Symbol:** VON

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 350 | 1987 | 193 |

NOTE: The Allied Supermarkets merger was completed on July 22, 1987. The pro forma results represent the operations of only the Vons Companies, Inc., assuming the Allied Supermarkets merger and asset sale occurred at the beginning of each reporting period.

**Sales & Earnings**

| | Net Sales | Net Income # |
|---|---|---|
| 1/1/89 | $ 3,916,600,000 | $ (23,900,000) |
| 1/3/88* | 3,276,000,000 | 1,600,000 |
| 12/28/86 | 2,953,500,000 | (35,700,000) |

| | No. of Com. Shares | Earn. per Share #‡ |
|---|---|---|
| 1/1/89 | 38,718,090 | $ — |
| 1/3/88* | 27,049,640 | 0.06 |
| 12/28/86 | 27,049,640 | — |

(Loss)
* 53 weeks.
# Including extraordinary gain of $5,500,000 ($0.20 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1/1/89 | $ 214,000,000 | $ 5.53 |
| 1/3/88 | 153,900,000 | 5.69 |
| 6/27/87 | 63,300,000 | 4.54 |

### Income Account * (000's)

| Year ended | 1/1/89 (53 weeks) | 1/3/88 |
|---|---|---|
| Net sales | $ 3,916,600 | $ 3,276,000 |
| Cost of sales | 3,100,600 | 2,584,500 |
| Expenses | 756,300 | 615,500 |
| Amort. of intangibles | 10,300 | 8,500 |
| Interest expense | 71,800 | 64,400 |
| Income (loss) before taxes | $ (22,400) | $ 3,100 |
| Income taxes | 1,500 | 7,000 |
| Net Loss | $ (23,900) | $ (3,900) |
| Extraord. gain | — | 5,500 |
| Net Loss & extraord. gain | $ (23,900) | $ 1,600 |

* Included in Costs and Expenses, Depreciation and Amortization: $44,300,000 in 1988 and $37,700,000 in 1988.

### Assets (000's)

| As of | 1/1/89 | 1/3/88 |
|---|---|---|
| Cash | $ 6,600 | $ 3,300 |
| Accts. receiv., net | 50,600 | 26,500 |
| *Inventories | 340,800 | 182,500 |
| Other curr. assets | 10,900 | 10,900 |
| Current Assets | $ 408,900 | $ 223,200 |
| #Fixed assets | 617,100 | 429,800 |
| Capital leases | 49,000 | 30,500 |
| Other assets | 71,100 | 34,100 |
| Intangibles | 527,300 | 338,900 |
| Total Assets | $ 1,673,400 | $ 1,056,000 |

### Liabilities (000's)

| | | |
|---|---|---|
| Long-term debt & cap. lease oblig., curr. | $ 4,700 | $ 3,000 |
| Accts. payable | 331,000 | 187,100 |
| Accruals | 213,100 | 120,200 |
| Curr. Liabilities | $ 548,800 | $ 310,300 |
| Accrued self-insur. | 110,700 | 49,800 |
| Long-term debt | 440,900 | 215,500 |
| Subord. debt | 306,100 | 289,400 |
| Capital leases | 52,900 | 37,600 |
| +Common stock | 3,900 | 2,700 |
| Add. paid-in capital | 215,900 | 133,300 |
| Retained earnings (deficit) | (4,400) | 19,500 |
| Notes receiv. for stock | (1,400) | (1,600) |
| Total Liabilities & Shareholders' Equity | $ 1,673,400 | $ 1,056,000 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 0.09 |
| Sales to Inventories | 11.49 | 17.95 |
| Debt to Equity | 2.08 | 3.54 |
| Shareholders' Equity | $ 214,000,000 | $ 153,900,000 |

## Wal-Mart Stores, Inc.

702 SW 8th Street
P.O. Box 116
Bentonville, Arkansas 72716
(501) 273-4000

**Officers:** Sam M. Walton, chairman of the board; David D. Glass, president & chief exeuctive officer; S. Robson Walton, vice chairman; Donald G. Soderquist, vice chairman & chief operating officer; Paul R. Carter, exec. v.p. & chief financial officer; Bill Fields, exec. v.p.-merchandise & sales; A. L. Miles, exec. v.p.-special projects; Dean L. Sanders, exec. v.p.-operations; John E. Tate, exec. v.p.-professional services; Nick White, exec. v.p.-Sam's Wholesale Club; Thomas M. Coughlin, sr. v.p.-operations, Sam's Wholesale Club; David Dible, sr. v.p.-general merchandise mgr.; Joseph S. Hardin, Jr., sr. v.p.-distribution & transportation; Joseph P. Hatfield, sr. v.p.-general merchandise manager; Harold E. Johnson, sr. v.p.-operations; Bobby L. Martin, sr. v.p.-data processing; Kendall Schwindt, sr. v.p.-operations; Thomas P. Seay, sr. v.p.-real estate & construction; Robert K. Voss, sr. v.p.-general merchandise manager, Sam's Wholesale Club; James L. Walton, sr. v.p.; Colon Washburn, sr. v.p.-general merchandise manager; Wesley C. Wright, sr. v.p.-special divisions; B. D. Adams, v.p.-operations; Suzanne Allford, v.p.-People Division; Clarence H. Archer, v.p.-pharmacy; Harryetta Bailey, v.p.-divisional merchandise manager; Stephen M. Bailey, v.p.-merchandise systems; Curtis Barlow, v.p.-real estate; Robert T. Bruce, v.p.-inventory management; J. R. Campbell, v.p.-divisional merchandise mgr.; Dwight A. Carney, v.p.-divisional merchandise mgr.; Richard Donckers, v.p.-Hypermart USA; Arthur Emmanuel, v.p.-operations; Lawrence E. Fennell, v.p.-operations; Steve Furner, v.p.-operations; Roger Lee Gildehaus, v.p.-divisional merchandise manager; David H. Gorman, v.p.-loss prevention; Doyle Graham, v.p.-business systems; Harry S. Green, v.p.-operations, Sam's Wholesale Club; Michael J. Guccione, v.p.-jewelry; Robert L. Hart, v.p.-operations; Paul Higham, v.p.-marketing and sales promotion; Lewis R. Hobbs, v.p.-divisional merchandise mgr.; William L. Hutcheson, v.p.-Shoe Division; Peter Jasan, v.p.-divisional merchandise mgr.; Lolan C. Mackey, v.p.-operations; Richard L. Mahan, v.p.-divisional merchandise mgr.; Peter C. Metzger, v.p.-imports; Harold A. Miller, Jr., v.p.-operations; Robert J. Murphey, v.p.-construction; Duane G. Naccarato, v.p.-operations; Thomas R. Putnam, v.p.-operations; Charles Rateliff, v.p.-treasurer; Melvin C. Redman, v.p.-store planning; Robert K. Rhoads, v.p.-general counsel & secretary; Charles Russell, v.p.-operations; Leroy W. Schuetts, v.p.-operations; H. Lee Scott, Jr., v.p.-distribution; Lew Skelton, v.p.-operations; Thomas N. Smith, v.p.-operations; Mike Spear, v.p.-general merchandise mgr.-Hypermart USA; Steve Tiernan, v.p.-general merchandise mgr., Sam's Wholesale Club; P. Terry Tucker, v.p.-divisional merchandise mgr.; James A. Walker, Jr., v.p.-controller; Larry E. Williams, v.p.-operations; Andrew H. Wilson, v.p.-operations; William C. Woodard, v.p.-merchandise planning; Jim Woodruff, v.p.-divisional merchandise mgr..

**Directors:** Sam M. Walton, chairman; David R. Banks, Paul R. Carter, Hillary Rodham Clinton, John A. Cooper, Jr., David D. Glass, A. L. Johnson, James H. Jones, Robert Kahn, Charles Lazarus, William H. Seay, Jack Shewmaker, Donald G. Soderquist, John E. Tate, James L. Walton, S. Robson Walton.

**Business Activities:** Operates 1,259 Wal-Mart retail stores in 25 states in the South, Southwest and Midwest; also operates 105 Sam's Wholesale Clubs in 21 states, 14 dot Discount Drug Stores, three Helen's Arts and Crafts Stores, and three Hypermart USA stores.

**Transfer Agent(s):**

Boatmen's Trust Company
510 Locust Street
P.O. Box 14768
St. Louis, Missouri 63178

**Stock Exchange(s):** New York, Pacific

**Ticker Symbol:** WMT

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 1,384 | 1986 | 887 |
| 1988 | 1,215 | 1985 | 756 |
| 1987 | 1,038 | | |

### Sales & Earnings

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1989 | $ 20,649,001 | $ 837,221 |
| 1988 | 15,959,255 | 627,643 |
| 1987 | 11,909,076 | 450,086 |
| 1986 | 8,451,489 | 327,473 |
| 1985 | 6,400,861 | 270,767 |

| | No. of Com. Shares # | Earn. per Share ‡ |
|---|---|---|
| 1989 | 565,591,000 | $ 1.48 |
| 1988 | 565,111,944 | 1.11 |
| 1987 | 564,365,892 | 0.79 |
| 1986 | 562,090,942 | 0.58 |
| 1985 | 560,889,492 | 0.48 |

# Adjusted to reflect stock dividends.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

### Common Stock

| | Cash Dividend† | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.160 | — | — |
| 1988 | 0.120 | 100% | |
| 1987 | 0.085 | — | — |
| 1986 | 0.070 | 100% | — |
| 1985 | 0.052 | — | — |

† Adjusted to reflect stock dividends.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 3,007,909,000 | $ 5.32 |
| 1988 | 2,257,267,000 | 3.99 |
| 1987 | 1,690,493,000 | 3.00 |
| 1986 | 1,277,659,000 | 2.27 |
| 1985 | 984,672,000 | 1.76 |

‡ Adjusted to reflect stock dividends.

### Income Account * (000's)

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 20,649,001 | $ 15,959,255 |
| Other income | 136,867 | 104,783 |
| Total income | $ 20,785,868 | $ 16,064,038 |
| Cost of sales | 16,056,856 | 12,281,744 |
| Expenses | 3,267,864 | 2,599,367 |
| Interest & debt expense | 135,681 | 114,257 |
| Income before taxes | $ 1,325,467 | $ 1,068,670 |
| Income taxes | 488,246 | 441,027 |
| Net Income | $ 837,221 | $ 627,643 |

* Included in Costs and Expenses, Depreciation and Amortization: $213,629,000 in 1989 and $165,962,000 in 1988.

### Assets (000's)

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 12,553 | $ 11,325 |
| Receiv., net | 126,638 | 95,928 |
| Recov. costs from sales | 114,653 | 126,917 |
| *Inventories | 3,351,367 | 2,651,760 |
| Prepaid expenses | 25,776 | 19,215 |
| Current Assets | $ 3,630,987 | $ 2,905,145 |

| | | |
|---|---|---|
| #Fixed assets | 1,757,066 | 1,358,268 |
| Prop. held under cap. leases | 904,888 | 786,584 |
| Goodwill | 41,036 | 47,034 |
| Other assets & def. charges | 25,691 | 34,778 |
| Total Assets | $ 6,359,668 | $ 5,131,809 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Notes payable | $ 19,000 | $ 104,382 |
| Long-term debt, curr. | 1,690 | 2,046 |
| Oblig. under cap. leases curr. | 19,659 | 16,498 |
| Accts. payable | 1,389,730 | 1,099,961 |
| Accrued payroll | 126,661 | 89,118 |
| Other accruals | 281,156 | 229,921 |
| Income taxes | 121,158 | 120,773 |
| Other taxes | 106,855 | 81,064 |
| Curr. Liabilities | $ 2,065,909 | $ 1,743,763 |
| Long-term debt | 184,439 | 185,672 |
| Cap. lease oblig. | 1,009,046 | 866,972 |
| Deferred inc. taxes | 92,365 | 78,135 |
| +Common stock | 56,559 | 56,511 |
| Add. paid-in capital | 174,277 | 170,440 |
| Retained earnings | 2,777,073 | 2,030,316 |
| Total Liabilities & Shareholders' Equity | $ 6,359,668 | $ 5,131,809 |

• At cost (LIFO) not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.42 | 6.70 |
| %Net Income to Sales | 4.05 | 3.93 |
| %Net Income to Equity | 27.83 | 27.81 |
| Sales to Inventories | 6.16 | 6.02 |
| Debt to Equity | 0.41 | 0.52 |
| Working Capital | $ 1,565,078,000 | $ 1,161,382,000 |
| Current Ratio | 1.76 | 1.67 |
| Shareholders' Equity | $ 3,007,909,000 | $ 2,257,267,000 |

## Walgreen Co.

200 Wilmot Road
Deerfield, Illinois 60015
(312) 940-2500

**Officers:** Charles R. Walgreen, III, chairman & chief exec. officer; Fred F. Canning, president & chief operating officer; Charles D. Hunter, executive v.p. & chief financial officer; L. Daniel Jorndt, sr. v.p. & treasurer; Glenn S. Kraiss, sr. v.p.-drug store operations; John R. Brown, sr. v.p.-distribution & manufacturing; Vernon A. Brunner, sr. v.p.-marketing; Julian A. Oettinger, v.p., gen. counsel & corp. secretary; John A. Rubino, v.p.-human resources; William A. Shiel, v.p.-facilities development; George C. Eilers, v.p.-purchasing; Robert C. Atlas, v.p.-drug store operations; Jerome B. Karlin, v.p.-drug store operations; Roger L. Polark, v.p.-administration; Roger H. Clausen, controller; Joel H. Levin, asst. secretary; Nancy Godfrey, asst. secretary; Edward H. King, asst. secretary; Alan M. Resnick, asst. secretary; John M. Palizza, asst. treasurer; Richard C. Hilderbrandt, asst. treasurer; John F. Richter, asst. controller.

**Directors:** Charles R. Walgreen, III, Arthur C. Nielsen*, Jr., Charles D. Hunter*, Fred F. Canning*, John B. Schwemm, Theodore Dimitriou*, Marilou M. Medlund, James J. Howard, William H. Springer.

* Member of the Executive Committee

**Business Activities:** Operates a chain of 1,416 Walgreen drug stores in 30 states and the Commonwealth of Puerto Rico. The states with the greatest number of stores include Illinois (251), Florida (231), and Texas (176). The Company also operates facilities for the production of health, beauty and household products, and for photo processing.

**Divisions:**

Drug Store Division
Manufacturing Division
Photo Processing Studios

**Transfer Agent(s):**

Harris Trust and Savings Bank
311 West Monroe Street, 11th Floor
Chicago, Illinois 60690

**Stock Exchange(s):** New York, Midwest

**Ticker Symbol:** WAG

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,416 | 1985 | 1,095 |
| 1987 | 1,356 | 1984 | 1,002 |
| 1986 | 1,273 | | |

**Sales & Earnings**

| | Net Sales # (000's) | Net Income (000's) |
|---|---|---|
| 1988 | $ 4,883,520 | $ 129,062 |
| 1987 | 4,281,606 | 103,537 |
| 1986 | 3,660,553 | 103,137 |
| 1985 | 3,161,935 | 94,169 |
| 1984 | 2,744,625 | 85,446 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1988 | 61,513,540 | $ 2.10 |
| 1987 | 61,503,868 | 1.68 |
| 1986 | 61,495,436 | 1.67 |
| 1985 | 61,397,868 | 1.53 |
| 1983 | 61,323,468 | 1.14 |

# Of continuing operations only.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend+ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.60 | — | — |
| 1987 | 0.54 | — | |
| 1986 | 0.50 | — | — |
| 1985 | 0.44 | — | 2-for-1 |
| 1984 | 0.36 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share + |
|---|---|---|
| 1988 | $ 712,644,000 | $ 11.59 |
| 1987 | 622,328,000 | 10.12 |
| 1986 | 553,611,000 | 9.00 |
| 1985 | 480,974,000 | 7.83 |
| 1984 | 414,618,000 | 6.76 |

+ Adjusted to reflect stock split.

**Income Account** • (000's)

| Year ended Aug. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 4,883,520 | $ 4,281,606 |
| Cost of sales | 3,468,973 | 3,000,988 |
| Expenses | 1,190,295 | 1,069,859 |
| Interest expense | 19,809 | 17,699 |
| Interest income | (4,527) | (1,123) |
| Income before taxes | $ 208,970 | $ 194,183 |
| Income taxes | 79,908 | 90,646 |
| Net Income | $ 129,062 | $ 103,537 |

• Included in Costs and Expenses, Depreciation and Amortization: $59,362,000 in 1988 and $53,718,000 in 1987.

**Assets** (000's)

| As of Aug. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 18,793 | $ 39,980 |
| Marketable securities | 190,945 | 1,257 |
| Accts. receiv., net | 76,062 | 65,073 |
| •Inventories | 655,376 | 694,093 |
| Other assets | 33,125 | 23,219 |
| Current Assets | $ 974,301 | $ 823,622 |
| #Fixed assets | 536,930 | 537,573 |
| Other assets | 649 | 741 |
| Total Assets | $ 1,511,880 | $ 1,361,936 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Notes payable | $ — | $ 20,000 |
| Long-term debt, curr. | 4,003 | 3,879 |
| Accts. payable | 255,549 | 243,533 |
| Accrued exp. & other liab. | 211,750 | 186,297 |
| Income taxes | 17,253 | 11,835 |
| Curr. Liabilities | $ 488,555 | $ 465,544 |
| Long-term debt | 172,111 | 141,433 |
| Deferred inc. taxes | 119,466 | 107,391 |
| Oblig. under cap. leases | 19,104 | 25,240 |
| +Common stock | 76,892 | 76,638 |
| Retained earnings | 635,752 | 545,690 |
| Total Liabilities & Shareholders' Equity | $ 1,511,880 | $ 1,361,936 |

• At lower of cost (valued on a LIFO basis) or market.
# Less accumulated depreciation.
+ $1.25 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.28 | 4.54 |
| %Net Income to Sales | 2.64 | 2.42 |
| %Net Income to Equity | 18.11 | 16.64 |
| Sales to Inventories | 7.45 | 6.17 |
| Debt to Equity | 0.25 | 0.23 |
| Working Capital | $ 485,746,000 | $ 358,078,000 |
| Current Ratio | 1.99 | 1.77 |
| Shareholders' Equity | $ 712,644,000 | $ 622,328,000 |

## Wall To Wall Sound & Video, Inc.

200 South Route 130
Cinnaminson, New Jersey 08077
(609) 786-8300

**Officers:** Jerome Shulman, chairman, president & chief exec. officer; Lee Swede, exec. v.p., secretary & treasurer; Stephen Bell, sr. v.p.; Bruce Bell, sr. v.p.; Charles F. Dombrowski, v.p.-finance & chief financial officer; Gary Shulman, v.p.-music; Scott Shulman, v.p.-store operations; Emanuel Drucker, v.p.-music; Donald A. Schmoyer, v.p.-store construction; Michael A. Dorer, v.p.-personnel; Edward Kochman, v.p.-administrative services; Lawrence Gross, v.p.-merchandising; Richard D. Sidkoff, v.p. & general counsel.

**Directors:** Jerome Shulman, chairman; Lee Swede, Stephen Bell, Bruce Bell, Gary Shulman, Scott Shulman, Charles H. Laveson, Michael Studner.

**Business Activities:** Operates 106 home entertainment and consumer electronic retail stores in Pennsylvania, New York, New Jersey, Maryland, Delaware and Ohio, principally under the names "Wall to Wall Sound & Video" and "Listening Booth." Products include prerecorded music, audio and video equipment, related accessories, and video movie cassettes for rental and sale.

## Wall To Wall Sound & Video, Inc.

**Transfer Agent(s):**

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey 08818

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WTWS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 106 | 1986 | 83 |
| 1988 | 90 | 1985 | 69 |
| 1987 | 85 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 152,059,200 | $ 1,007,186 |
| 1988 | 132,361,771 | 3,392,958 |
| 1987* | 98,463,000 | 2,837,000 |
| 1986 | 101,500,000 | 3,147,000 |
| 1985 | 83,553,000 | 4,734,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1989 | 5,300,000 | $ 0.19 |
| 1988 | 5,300,000 | 0.64 |
| 1987* | 5,300,000 | 0.54 |
| 1986 | 5,275,000 | 0.60 |
| 1985 | 5,000,000 | 0.95 |

* 9 Months
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity † | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 24,455,791 | $ 4.61 |
| 1988 | 23,448,605 | 4.42 |
| 1987 | 20,055,647 | 3.78 |
| 1986 | 17,218,899 | 3.26 |
| 1985 | 10,407,321 | 2.08 |

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account**

| Year ended | 2/28/89 | 2/29/88 |
|---|---|---|
| Net sales | $ 152,059,200 | $ 132,361,771 |
| Cost of sales | 100,081,776 | 88,911,791 |
| Expenses | 44,968,131 | 35,677,971 |
| Depreciation & amortization | 3,847,730 | 2,807,902 |
| Interest expense | 1,594,377 | 577,785 |
| Income before taxes | $ 1,567,186 | $ 4,386,322 |
| Income taxes | 560,000 | 1,705,000 |
| Cum. effect of acct. change | — | (711,636) |
| Net Income | $ 1,007,186 | $ 3,392,958 |

**Assets**

| As of | 2/28/89 | 2/29/88 |
|---|---|---|
| Cash | $ 1,790,105 | $ 1,705,197 |
| Accts. receiv., net | 2,217,758 | 1,358,950 |
| *Inventories | 56,743,695 | 40,384,019 |
| Deferred costs | 1,444,042 | 753,435 |
| Current Assets | $ 62,195,600 | $ 44,201,601 |
| †Rental tapes | 3,642,232 | 3,326,636 |
| #Fixed assets | 16,167,811 | 9,258,142 |
| Deferred costs | 493,568 | 307,995 |
| Cash value of officers' life insur. | 179,935 | 1,498,611 |
| Total Assets | $ 92,679,146 | $ 58,592,985 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 19,000,000 | $ 1,600,000 |
| Long-term debt, curr. | 1,300,000 | 1,200,000 |
| Accts. payable | 21,116,747 | 20,968,478 |
| Accrued adv. expenses | 1,834,361 | 1,967,661 |
| Accruals | 4,426,163 | 2,304,586 |
| Income taxes | 688,417 | 480,655 |
| Curr. Liabilities | $ 48,365,688 | $ 28,721,380 |
| Deferred inc.taxes | 1,696,000 | 1,523,000 |
| +Preferred stock | 300,000 | 300,000 |
| ++Common stock | 53,000 | 53,000 |
| Add. paid-in capital | 5,412,000 | 5,412,000 |
| Retained earnings | 18,990,791 | 17,983,605 |
| Total Liabilities & Shareholders' Equity | $ 82,679,146 | $ 58,592,985 |

* At lower of cost (FIFO) or market.
† Less accumulated amortization.
# Less accumulated depreciation and amortization.
+ $100 par value; 12% noncumulative convertible.
++ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.03 | 3.31 |
| %Net Income to Sales | 0.66 | 2.56 |
| %Net Income to Equity | 4.07 | 14.29 |
| Sales to Inventories | 2.68 | 3.28 |
| Debt to Equity | 1.14 | 0.31 |
| Working Capital | $ 13,829,912 | $ 15,480,221 |
| Current Ratio | 1.29 | 1.54 |
| Shareholders' Equity | $ 24,755,791 | $ 23,748,605 |

## The Warnaco Group, Inc.

(Became a privately held corporation in May 1986)
11111 Santa Monica Boulevard
Los Angeles, California 90025
(213) 473-0032

Warnaco, Inc.
90 Park Avenue
New York, New York 10016
(212) 661-1300

350 Lafayette Street
Bridgeport, Connecticut 06601
(203) 579-8272

**Officers:** Andrew G. Galef, chairman; Linda J. Wachner, president & chief executive officer; Roger A. Williams, sr. v.p. & chief financial officer; Paul E. Dixon, sr. v.p. & general counsel; William S. Finkelstein, v.p. & controller; Stanley P. Silverstein, secretary & general counsel, Allen Finkensur, v.p.-taxes & asst. treasurer.

**Directors:** Andrew G. Galef, chairman; Linda J. Wachner, Bruce I. Raben, Robert D. Walter, Robert J. Dolan, Florence R. Skelly.

**Business Activities:** The company is a diversified manufacturer and marketer of apparel. Its Outlet Store Division operates 41 retail stores which sell excess and out-of-season off-price apparel products to the general public.

**Divisions:**

Menswear Division
Womenswear Division
Intimate Apparel Division
International Division
Outlet Store Division

**Subsidiaries:**

Warnaco, Inc.
Warnaco International Inc.
Warnaco Limited
Warnaco Men's Sportswear Inc.
Warnaco of Canada Limited
Warnaco Sourcing Inc.
Warnaco Sourcing Limited
Warmana Limited
Warner's Aigion, S.A. (France)
Warner's Company (Belgium) S.A.
Warner's de Costa Rico Inc.
Warner's de Honduras, S.A.
Warner's de Mexico, S.A. de C.V.
Warner's (U.K.) Ltd.
C.F. Hathaway Company
Foxfire International Co. Inc.
Hamlet Shirt Co. Ltd.
Juarmex, S.A. de C.V.
Olguita de Mexico, S.A.
Tilbes Serviaport Inc.
184 Benton Street Inc.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 41 | 1987 | 55 |

NOTE: The Warnaco Group, Inc. was incorporated in Delaware on March 14, 1986, and on May 10, 1986 acquired substantially all of the outstanding shares of Warnaco Inc. Warnaco is the principal operating subsidiary of The Warnaco Group.

**Sales & Earnings**

| | Revenues # | Net Income x |
|---|---|---|
| 12/31/88 | $ 648,919,000 | $ (5,104,000) |
| 1/2/88 | 584,029,000 | (10,803,000) |
| 1/3/87* | 369,611,000 | (39,046,000) |
| 5/10/86+‡ | 187,628,000 | (4,336,000) |
| 12/29/85‡ | 555,103,000 | 22,523,000 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 12/31/88 | 2,041,267 | $ — |
| 1/2/88 | 2,000,000 | — |
| 1/3/87* | 2,000,000 | — |
| 5/10/86+‡ | N.A. | — |
| 12/29/85‡ | N.A. | — |

(Loss)
N.A. - Not Available.
* 8 months.
+ 5 months
‡ Predecessor company.
# Of continuing operations only.
x Including extraordinary loss of $2,866,000 in 1988.
† Based on the average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 12/31/88 | $ (43,155,000) | $ — |
| 1/2/88 | (34,811,000) | — |
| 1/3/87 | (21,449,000) | — |

(Deficiency)

**Income Account ***

| Year ended | 12/31/88 | 1/2/88 |
|---|---|---|
| Net revenues | $ 648,919,000 | $ 584,029,000 |
| Cost of revenues | 423,806,000 | 363,243,000 |
| Expenses | 152,980,000 | 157,262,000 |
| Interest expense | 72,455,000 | 64,518,000 |
| Non-recurring credits | (1,876,000) | — |
| Inc. (loss) bef. taxes | $ 1,554,000 | $ (994,000) |
| Income taxes | 150,000 | 5,244,000 |
| Inc. (loss)-cont. oper. | $ 1,404,000 | $ (6,238,000) |
| Loss-discont. oper. | (12,829,000) | (4,565,000) |
| Net Loss | $ (11,425,000) | $ (10,803,000) |
| Extraord. loss | (2,866,000) | — |
| Cum. effect of acct. change | 9,187,000 | — |
| Net Loss & extraord. loss | $ (5,104,000) | $ (10,803,000) |

* Included in Costs and Expenses, Depreciation and Amortization: $23,059,000 in 1988 and $22,366,000 in 1987.

**Assets**

| As of | 12/31/88 | 1/2/88 |
|---|---|---|
| Cash | $ 12,505,000 | $ 5,726,000 |
| Accts. receiv., net | 138,510,000 | 127,917,000 |
| *Inventories | 134,124,000 | 109,816,000 |
| Prepaid expenses | 12,361,000 | 9,868,000 |
| Current Assets | $ 297,500,000 | $ 253,327,000 |
| #Fixed assets | 93,832,000 | 98,867,000 |
| Deferred fin. costs | 31,120,000 | 33,330,000 |
| Licenses & trademarks | 69,090,000 | 78,180,000 |
| Exc. of cost over assets acq. | 161,438,000 | 165,597,000 |
| Total Assets | $ 652,980,000 | $ 629,301,000 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Notes payable | $ 2,165,000 | $ 3,398,000 |
| Long-term debt, curr. | 1,020,000 | 25,268,000 |
| Accts. payable & accruals | 59,177,000 | 39,003,000 |
| Accrued compensation | 16,028,000 | 21,391,000 |
| Accrued interest | 7,200,000 | 5,203,000 |
| Other accruals | 6,881,000 | 14,559,000 |
| Income taxes | 6,978,000 | 17,486,000 |
| Curr. Liabilities | $ 99,449,000 | $ 126,308,000 |
| Long-term debt | 550,038,000 | 490,023,000 |
| Other liabilities | 5,148,000 | 6,281,000 |
| Redeem. preferred stock | 41,500,000 | 41,500,000 |
| +Common stock: | | |
| Class B | 15,000 | 15,000 |
| Class A | 6,000 | 5,000 |
| Add. paid-in capital | 20,598,000 | 19,980,000 |
| Cum. trans. adjust. | 5,830,000 | 3,288,000 |
| Retained earnings (def.) | (68,703,000) | (58,099,000) |
| Notes receiv.-stock issue | (901,000) | — |
| Total Liabilities & Shareholders' Equity | $ 652,980,000 | $ 629,301,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| Working Capital | $ 198,051,000 | $ 127,019,000 |
| Current Ratio | 2.99 | 2.01 |
| Shareholders' Equity (Deficiency) | $ (43,155,000) | $ (34,811,000) |

## Webster Clothes, Inc.

8901 Yellow Brick Road
Baltimore, Maryland 21237
(301) 391-8811

**Officers:** Samuel M. Feldman, chairman of the board & president; Stephen A. Blake, exec. v.p.-finance & administration & treasurer; Neil G. Goldenberg, exec. v.p.-merchandising; Stuart R. Berney, v.p.-management information systems & asst. secretary; Stephen L. Hirsch, v.p. & chief financial officer; Cathie A. Degonia, v.p.-marketing & communications; Wayne L. Vaden, regional v.p.; Nelson L. Kaplan, regional v.p.; Neil C. Kahn, secretary & general counsel; Gretchen V. Feldman, asst. secretary.

**Directors:** Samuel M. Feldman, chairman; Stephen A. Blake, Alfred I. Copian, Gretchen V. Geldman, Irving G. Katz.

**Business Activities:** Operates 132 men's wear retail stores in regional malls in 25 states nationwide, under the names "Webster Men's Wear," "Zeidler & Zeidler" and "Aggio."

**Division:**

Aggio
Engaged in the retail sale of men's upscale sportswear.

Z & Z Fashions Ltd.
1804 Lincoln Boulevard
Santa Monica, California 90404
(213) 870-2745
Operates 18 men's clothing stores, all under the name of Zeidler & Zeidler, in California and Nevada.

**Transfer Agent(s):**

The Chase Manhattan Bank, N.A.

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WEBS (NASDAQ)

**Number of Stores:**

| | | | |
|---|---|---|---|
| 1989 | 132 | 1987 | 88 |
| 1988 | 126 | 1986 | 81 |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 68,018,008 | $ (761,000) |
| 1987 | 59,966,000 | 1,977,000 |
| 1986 | 48,273,000 | 2,030,000 |
| 1985 | 42,324,000 | 1,993,000 |
| 1984* | 36,048,000 | 1,696,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 3,219,000 | $ — |
| 1987 | 3,250,000 | 0.61 |
| 1986 | 3,185,000 | 0.64 |
| 1985 | 3,000,000 | 0.66 |
| 1984 | 3,000,000 | 0.57 |

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 15,623,000 | $ 4.85 |
| 1987 | 16,509,000 | 5.08 |
| 1986 | 14,532,000 | 4.56 |
| 1985 | 10,236,000 | 3.41 |
| 1984 | 10,236,000 | 3.41 |

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

**Income Account * (000's)**

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 68,018 | $ 59,966 |
| Cost of sales | 35,725 | 30,724 |
| Expenses | 32,650 | 25,786 |
| Oper. profit (loss) | $ (357) | $ 3,456 |
| Other expense | 689 | 354 |
| Income (loss) bef. taxes | $ (1,046) | $ 3,102 |
| Income taxes (credit) | (285) | 1,125 |
| Net Income (Loss) | $ (761) | $ 1,977 |

* Included in Costs and Expenses, Depreciation and Amortization: $2,547,000 in 1988 and $2,068,000 in 1987.

**Assets (000's)**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 2,548 | $ 2,802 |
| Marketable securities | — | 510 |
| Accts. receiv., net | 989 | 828 |
| Refundable taxes | 459 | 493 |
| *Inventories | 9,045 | 11,285 |
| Prepaid expenses | 1,215 | 1,330 |
| Current Assets | $ 14,256 | $ 17,248 |
| Investments | — | 110 |
| # Fixed assets | 19,965 | 12,724 |
| Intangibles | 1,288 | 1,361 |
| Total Assets | $ 35,509 | $ 31,443 |

**Liabilities (000's)**

| | | |
|---|---|---|
| Notes payable | $ — | $ 550 |
| Long-term debt, curr. | 1,268 | 922 |
| Accts. payable | 4,936 | 6,634 |
| Accruals | 1,305 | 1,145 |
| Accrued rent | 375 | 563 |
| Income taxes | 4 | 92 |
| Curr. Liabilities | $ 7,888 | $ 9,906 |
| Long-term debt | 11,015 | 4,440 |
| Deferred inc. taxes | 683 | 588 |
| Other liabilities | 300 | — |
| + Common stock | 33 | 33 |
| Add. paid-in capital | 3,468 | 3,468 |
| Retained earnings | 12,247 | 13,008 |
| Treasury stock | (125) | — |
| Total Liabilities & Shareholders' Equity | $ 35,509 | $ 31,443 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | — | 5.17 |
| %Net Income to Sales | — | 3.30 |
| %Net Income to Equity | — | 11.98 |
| Sales to Inventories | 7.52 | 5.31 |
| Debt to Equity | 0.79 | 0.36 |
| Working Capital | $ 6,368,000 | $ 7,342,000 |
| Current Ratio | 1.81 | 1.74 |
| Shareholders' Equity | $ 15,623,000 | $ 16,509,000 |

## Weiman Co., Inc.

4801 West Peterson
Chicago, Illinois 60646
(312) 286-1121

**Officers:** Richard D. Goddard, chairman of the board & president; Ronald Meyers, exec. v.p.; Paul Bohlmann, secretary & treasurer.

**Directors:** Richard D. Goddard, chairman; Ronald Meyers, Peter O. Fetzer, Ronald S. Sheldon.

**Business Activities:** Manufacturer and distributor of consumer and industrial products primarily in the field of photography. The photographic group sells photographic and audio visual equipment and supplies, partly through two retail photographic equipment outlets, operates film processing and development laboratories and develops negatives, prints, slides and film strips. Through its ADCO Products Division, the Company operates a mail order jewelry business.

**Division and Subsidiaries:**

Photographic Group

Standard Photo Supply Company
Chicago, Illinois

AG5&R Communications
Chicago, Illinois

Gamma Photo Labs
Chicago, Illinois

National Photo and Camera Company
Chicago, Illinois

Astra Photo Service
Chicago, Illinois

Mail Order Group

ADCO Products Division
Chicago, Illinois

## Weiman Co., Inc.

**Transfer Agent(s):**

Register and Transfer Company
New York, New York

**Stock Exchange(s):** American

**Ticker Symbol:** WC

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 2 | 1985 | 2 |
| 1986 | 3 | | |

### Sales & Earnings

| | Net Sales + | Net Income # |
|---|---|---|
| 1987 | $ 38,910,000 | $ 43,968 |
| 1986 | 37,005,000 | 240,188 |
| 1985 | 34,542,000 | 830,607 |
| 1984 | 30,059,000 | 595,624 |
| 1983 | 25,958,000 | 154,000 |

| | No. of Com. Shares | Earn. per Share ‡ # |
|---|---|---|
| 1987 | 758,958 | $ 0.06 |
| 1986 | 726,958 | 0.32 |
| 1985 | 726,958 | 1.10 |
| 1984 | 726,958 | 0.79 |
| 1983 | 735,558 | 0.20 |

+ Of continuing operations only.
# Including extraordinary gains of $147,000 ($0.19 per share) in 1985, $228,000 ($0.30 per share) in 1984 and $67,000 ($0.09 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Revenues by Line of Business

| | 1987 | 1986 |
|---|---|---|
| Photographic | $ 31,921,000 | 29,440,000 |
| Mail order segment | 6,900,000 | 7,474,000 |
| Corporate | 89,000 | 91,000 |
| Total | $ 38,910,000 | $ 37,005,000 |

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.16 | — | — |
| 1986 | 0.16 | — | — |
| 1985 | 0.15 | — | — |
| 1984 | 0.10 | — | — |
| 1983 | 0.08 | — | — |

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1987 | $ 5,996,000 | $ 7.90 |
| 1986 | 5,997,000 | 8.25 |
| 1985 | 5,873,000 | 8.08 |
| 1984 | 5,151,000 | 7.09 |
| 1983 | 4,663,000 | 6.34 |

### Income Account *

| Year ended Dec. 31 | 1987 | 1986 |
|---|---|---|
| Net sales | $ 38,713,119 | $ 36,814,081 |
| Other income | 196,584 | 190,507 |
| Total income | $ 38,909,703 | $ 37,004,588 |
| Cost of sales | 22,529,148 | 21,067,423 |
| Expenses | 15,426,035 | 14,407,005 |
| Non-recurring loss | — | 321,265 |
| Interest expense | 513,996 | 482,842 |
| Income bef. taxes | $ 440,524 | $ 726,053 |
| Income taxes | 195,000 | 237,000 |
| Inc.-cont. oper. | $ 245,524 | $ 489,053 |
| Loss-discont. oper. | (201,556) | (248,865) |
| Net Income | $ 43,968 | $ 240,188 |

* Included in Costs and Expenses, Depreciation and Amortization: $793,071 in 1987 and $754,407 in 1986.

### Assets

| As of Dec. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 1,536,058 | $ 762,452 |
| Accts. receiv., net | 4,526,219 | 3,800,254 |
| Recov. inc. taxes | 323,030 | — |
| *Inventories | 2,711,207 | 2,398,590 |
| Prepaid expenses | 785,865 | 1,875,163 |
| Deferred inc. taxes | 182,000 | 389,000 |
| Current Assets | $ 10,064,379 | $ 9,225,459 |
| #Fixed assets | 3,793,488 | 3,311,535 |
| Other assets | 665,039 | 749,648 |
| Intangibles | 715,760 | 744,369 |
| Total Assets | $ 15,238,666 | $ 14,031,011 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ 920,050 | $ 728,220 |
| Accts. payable | 1,651,833 | 1,568,447 |
| Accruals | 464,554 | 710,608 |
| Employee compensation | 1,329,721 | 1,153,326 |
| Income taxes | 29,058 | 49,884 |
| Curr. Liabilities | $ 4,395,216 | $ 4,210,485 |
| Long-term debt | 4,531,391 | 3,562,602 |
| Deferred comp. | 245,000 | 225,000 |
| Deferred inc. taxes | 71,000 | 36,000 |
| +Common stock | 767,558 | 735,558 |
| Add. paid-in capital | 805,122 | 760,522 |
| Retained earnings | 4,457,821 | 4,535,286 |
| Treasury Stock | (34,442) | (34,442) |
| Total Liabilities & Shareholders' Equity | $ 15,238,666 | $ 14,031,011 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Net Income to Equity | 0.73 | 4.01 |
| Sales to Inventories | 14.28 | 15.35 |
| Debt to Equity | 0.91 | 0.72 |
| Working Capital | $ 5,669,163 | $ 5,014,974 |
| Current Ratio | 2.29 | 2.19 |
| Shareholders' Equity | $ 5,996,059 | $ 5,996,924 |

## Weis Markets, Inc.

1000 South Second Street
Sunbury, Pennsylvania 17801
(717) 286-4571

**Officers:** Sigfried Weis, president; Robert F. Weis, vice president and treasurer; Micheal C. Rhesm, vice president and secretary; Richard D. Madison, v.p.-merchandising; Alan L. Barrick, v.p.-engineering and manufacturing; Walter B. Bruce, v.p.-private label; George J. Michalak, v.p.-perishables; Norman S. Rich, v.p.-store operations; Richard L. Wetzel, v.p.-finance; Richard L. Kunkle, v.p.-pharmacy.

**Directors:** Sigfried Weis, Robert F. Weis, Micheal C. Rhesm, Charles H. Watts, II, Peter M. Sacerdote.

**Business Activities:** Operates supermarkets in Pennsylvania, New York, West Virginia and Maryland, under the name of Weis Markets. Weis Food Service distributes frozen foods and grocery items to restaurants and institutions. Also operates seven Amity House Restaurants.

**Subsidiaries:**

Weis Food Service
Northumberland, Pennsylvania

**Transfer Agent(s):**

Mellon Bank (East)
Securities Transfer Services
Pittsburgh, Pennsylvania 15219

**Stock Exchange(s):** New York

**Ticker Symbol:** WMK

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 117 | 1985 | 122 |
| 1987 | 116 | 1984 | 119 |
| 1986 | 116 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 1,189,236,000 | $ 82,624,000 |
| 1987 | 1,128,325,000 | 75,982,000 |
| 1986 | 1,101,473,000 | 65,261,000 |
| 1985 | 1,017,173,000 | 60,144,000 |
| 1984 | 957,775,000 | 55,307,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1988 | 45,514,210 | $ 1.82 |
| 1987 | 45,722,336 | 1.66 |
| 1986 | 45,999,126 | 1.42 |
| 1985 | 46,167,586 | 1.30 |
| 1984 | 46,408,074 | 1.19 |

# Based on the average number of shares outstanding adjusted to reflect stock splits.

### Common Stock

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.50 | — | — |
| 1987 | 0.43 | — | |
| 1986 | 0.36 | — | — |
| 1985 | 0.32 | — | 3-for-2 |
| 1984 | 0.29 | — | — |

+ Adjusted to reflect stock splits.

### Common Stock Equity

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 509,819,000 | $ 11.20 |
| 1987 | 454,012,000 | 9.93 |
| 1986 | 407,494,000 | 8.86 |
| 1985 | 365,828,000 | 7.92 |
| 1984 | 323,509,000 | 6.97 |

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

### Income Account *

| Year ended | 12/31/88 | 12/26/87 |
|---|---|---|
| Net sales | $ 1,189,236,000 | $ 1,128,325,000 |
| Cost of sales | 880,196,000 | 831,450,000 |
| Expenses | 208,394,000 | 192,755,000 |
| Int. & div. income | (19,174,000) | (16,698,000) |
| Other income | (10,088,000) | (10,014,000) |
| Income before taxes | $ 129,908,000 | $ 130,832,000 |
| Income taxes | 47,284,000 | [illegible] |
| Net Income | $ 82,624,000 | $ [illegible],982,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $19,552,000 in 1988 and $16,954,000 in 1987.

**Assets**

| As of | 12/31/88 | 12/26/87 |
|---|---|---|
| Cash | $ 303,000 | $ 304,000 |
| Marketable securities | 317,824,000 | 293,934,000 |
| Accts. receiv., net | 10,506,000 | 10,943,000 |
| *Inventories | 81,703,000 | 76,267,000 |
| Prepaid expenses & other assets | 8,398,000 | 6,661,000 |
| Current Assets | $ 418,734,000 | $ 388,109,000 |
| #Fixed assets | 173,230,000 | 144,840,000 |
| Intangibles | 3,702,000 | 3,746,000 |
| Total Assets | $ 595,666,000 | $ 536,695,000 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 54,001,000 | $ 44,779,000 |
| Accruals | 11,543,000 | 11,851,000 |
| Contrib. to pension plans | 3,077,000 | 2,836,000 |
| Income taxes | 7,953,000 | 9,731,000 |
| Dividends payable | — | 5,012,000 |
| Curr. Liabilities | $ 76,574,000 | $ 74,209,000 |
| Deferred income taxes | 9,273,000 | 8,474,000 |
| +Common stock | 6,587,000 | 6,559,000 |
| Retained earnings | 533,122,000 | 473,257,000 |
| Treasury stock | (29,890,000) | (25,804,000) |
| Total Liabilities & Shareholders' Equity | $ 595,666,000 | $ 536,695,000 |

* At lower of cost (LIFO & average cost method) or market.
# Less accumulated depreciation and amortization.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 10.92 | 11.60 |
| %Net Income to Sales | 6.95 | 6.73 |
| %Net Income to Equity | 16.21 | 16.74 |
| Sales to Inventories | 14.56 | 14.79 |
| Working Capital | $ 342,160,000 | $ 313,900,000 |
| Current Ratio | 5.47 | 5.23 |
| Shareholders' Equity | $ 509,819,000 | $ 454,012,000 |

## Weisfield's, Inc.

800 South Michigan Street
Seattle, Washington 98108
(206) 767-5011

**Officers:** Herman Blumenthal, chairman & chief executive officer; Leslie Rosenberg, president & chief operating officer; Jerry Denning, v.p.-operations, Southern Region; Gerald A. Prosio, treasurer & chief financial officer; E. Robert Nelson, v.p., gen. counsel & secretary; Lloyd D. Jowers, v.p.-operations, Northern Region.

**Directors:** Herman Blumenthal, Leslie Rosenberg, Daniel Baty, Thomas Foster, David C. Wyman.

**Business Activities:** Operates jewelry stores under the name "Weisfield Jewelers" in California, Washington, Oregon, Nevada, Arizona, Colorado, Alaska, Maryland and Virginia.

**Transfer Agent(s):**

First Interstate Bank of Washington

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WEIS (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 85 | 1986 | 82 |
| 1988 | 82 | 1985 | 79 |
| 1987 | 79 | | |

**Sales & Earnings**

| | Revenues + | Net Income |
|---|---|---|
| 1989 | $ 59,544,000 | $ 1,795,000 |
| 1988 | 54,906,000 | 1,447,000 |
| 1987 | 50,640,000 | 1,300,000 |
| 1986 | 48,847,000 | 1,831,000 |
| 1985 | 45,949,000 | 1,812,000 |

| | No. of Com. Shares | Earn. per Share † |
|---|---|---|
| 1989 | 1,080,719 | $ 1.65 |
| 1988 | 1,090,119 | 1.32 |
| 1987 | 1,095,694 | 1.19 |
| 1986 | 1,095,732 | 1.52 |
| 1985 | 1,303,834 | 1.39 |

+ Of continuing operations only.
† Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.50 | — | — |
| 1988 | 0.50 | — | — |
| 1987 | 0.50 | — | — |
| 1986 | 0.50 | — | — |
| 1985 | 0.50 | — | — |

† Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 22,470,000 | $ 20.79 |
| 1988 | 21,424,000 | 19.65 |
| 1987 | 20,637,000 | 18.83 |
| 1986 | 19,886,000 | 18.15 |
| 1985 | 21,439,000 | 16.44 |

**Income Account**

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 59,490,000 | $ 54,823,000 |
| Other income | 54,000 | 83,000 |
| Total revenues | $ 59,544,000 | $ 54,906,000 |
| Cost of sales | 25,773,000 | 24,872,000 |
| Expenses | 21,109,000 | 19,415,000 |
| Rentals | 4,714,000 | 4,127,000 |
| Depreciation & amortization | 2,070,000 | 1,847,000 |
| Interest expense | 1,445,000 | 926,000 |
| Prov. for doubtful accts. | 1,345,000 | 1,205,000 |
| Income before taxes | $ 2,888,000 | $ 2,514,000 |
| Income taxes | 1,093,000 | 1,067,000 |
| Net Income | $ 1,795,000 | $ 1,447,000 |

**Assets**

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 136,000 | $ 103,000 |
| Accts. receiv., net | 22,841,000 | 18,918,000 |
| Other receiv. | 687,000 | 897,000 |
| *Inventories | 19,790,000 | 19,679,000 |
| Prepaid expenses | 222,000 | 382,000 |
| Current Assets | $ 43,676,000 | $ 39,979,000 |
| #Fixed assets | 9,990,000 | 9,262,000 |
| Other assets | 8,000 | — |
| Total Assets | $ 53,674,000 | $ 49,241,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 12,700,000 | $ 8,800,000 |
| Long-term debt, curr. | 1,000,000 | 1,000,000 |
| Oblig. under cap. leases, curr. | 54,000 | 49,000 |
| Notes & trade acceptances payable | 1,392,000 | 1,370,000 |
| Accts. payable | 8,619,000 | 7,536,000 |
| Accruals | 1,543,000 | 1,411,000 |
| Income taxes | 792,000 | 439,000 |
| Deferred inc. taxes | 1,608,000 | 2,286,000 |
| Curr. Liabilities | $ 27,708,000 | $ 22,891,000 |
| Long-term debt | 1,500,000 | 2,500,000 |
| Oblig. under cap. leases | 49,000 | 102,000 |
| Deferred income taxes | 1,947,000 | 2,324,000 |
| +Common stock | 2,391,000 | 2,391,000 |
| Add. paid-in capital | 438,000 | 438,000 |
| Retained earnings | 21,560,000 | 20,310,000 |
| Treasury stock | (1,919,000) | (1,715,000) |
| Total Liabilities & Shareholders' Equity | $ 53,674,000 | $ 49,241,000 |

* At cost (LIFO), which does not exceed market.
# Less accumulated depreciation and amortization.
+ $2 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.85 | 4.59 |
| %Net Income to Sales | 3.02 | 2.64 |
| %Net Income to Equity | 7.99 | 6.75 |
| Sales to Inventories | 3.01 | 2.79 |
| Debt to Equity | 0.68 | 0.58 |
| Working Capital | $ 15,968,000 | $ 17,088,000 |
| Current Ratio | 1.58 | 1.75 |
| Shareholders' Equity | $ 22,470,000 | $ 21,424,000 |

## Western Auto Supply Company

(Acquired by Sears, Roebuck & Co. in April 1988.)

2107 Grand Avenue
Kansas City, Missouri 64108
(816) 346-4000

**Officers:** John T. Lundegard, chairman & chief exec. officer; Kenneth L. Brown, sr. v.p.-finance & administration; Leo D. Carney, v.p. & treasurer; Patrick W. Semegen, v.p., secretary & counsel; Robert K. Washburn, v.p.-corp. systems; Terry S. McCoy, v.p.-consumer credit; Carl Mahan, v.p.-distribution services; John F. Barlow, pres.-Retail Division; Terry R. Kuntz, v.p.-Western Retail Division; Guy W. Hulsey, v.p.-Eastern Retail Division; Douglas R. Machl, v.p.-Automotive Division; Don P. Giles, v.p.-store development; John R. Leach, pres.-Wholesale Division; Vernon R. Brown, v.p.-sales (West); J. Ron Calabrese, v.p.-sales (East); Chuck E. Hutchens, v.p.-Home Division; J. Michael Riggan, v.p.-advertising & sales promotion; Berry G. Baldridge, v.p.-wholesale credit.

**Directors:** John T. Lundegard, chairman; John F. Barlow, Kenneth L. Brown, Hugh J. Byrnes, Raymond G. Chambers, Roger L. Galassini, J. Eric Helsing, Julius Kippelman, John R. Leach, Michael J. Rosenthal, David Stanley, Chester B. Vanatta, Frank E. Walsh, Jr..

**Business Activities:** The Company, through its 253 company-owned retail stores and 1,744 independently owned and operated associate dealer stores, sells automotive aftermarket products in 46 states and Puerto Rico. Principal products include auto parts, tires, batteries, chemicals and accessories, as well as home and leisure products.

**Divisions and Subsidiaries:**

Tire America Division
Operates 52 Tire America retail stores located primarily in 10 Middle Atlantic and Midwestern states. Also engages in wholesale distribution of tires.

Midland International Division
Distributes industrial two-way radio communications products.

Eva Gabor International Ltd.
Distributes wigs.

# Western Auto Supply Company

**Number of Stores: ***

| | |
|---|---|
| 1986 | 305 |

* Company-owned.
NOTE: On Dec. 20, 1985, the Company was acquired by persons associated with Wesray Capital Corp. and certain officers of the Company. In January 1987, the Company completed an initial public offering of its common stock.

**Sales & Earnings**

| | Net Sales † | Net Income # |
|---|---|---|
| 1986 * + | $ 759,751,000 | $ 2,941,000 |
| 1985 x | 721,462,000 | 21,347,000 |
| 1984 x | 697,715,000 | 16,616,000 |
| 1983 x | 650,319,000 | 15,555,000 |
| 1982 x | 599,695,000 | 12,568,000 |

| | No. of Com. Shares ‡ ‡ | Earn. per Share ‡ |
|---|---|---|
| 1986 * + | 6,616,250 | $ 0.44 |
| 1985 x | 1,000 | — |

* 53 weeks.
+ Post acquisition.
x Pre-acquisition.
† Includes other revenue.
‡ ‡ Adjusted to reflect stock split.
# Including extraordinary gains of $441,000 in 1985, $753,000 in 1983 and $1,047,000 in 1982.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1986 | — | — | 6.7-for-1 |

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1986 + | $ 161,000,000 | $ 24.33 |
| 1985 x | 210,528,000 | — |
| 1984 x | 186,139,000 | — |
| 1983 x | 184,498,000 | — |
| 1982 x | 182,943,000 | — |

+ Post acquisition.
x Pre-acquisition.
‡ Adjusted to reflect stock split.

**Income Account ***
(000's)

| Year ended | 1/3/87 | 12/20/85 + |
|---|---|---|
| Net sales | $ 759,751 | $ 721,462 |
| Cost of sales | 556,490 | 557,883 |
| Expenses | 156,443 | 126,243 |
| Interest expense | 31,745 | 8,138 |
| Gain on sale of real estate | — | (8,140) |
| Income before taxes | $ 15,073 | $ 37,338 |
| Income taxes | 7,260 | 16,432 |
| Net Income | $ 7,813 | $ 20,906 |
| Extraord. gain | — | 441 |
| Net Income & Extraord. gain | $ 7,813 | $ 21,347 |

* Included in Costs and Expenses, Depreciation and Amortization: $9,132,000 in 1986 and $7,481,000 in 1985.
+ Pre-acquisition.

**Assets**
(000's)

| As of | 1/3/87 | 12/20/85 |
|---|---|---|
| Cash | $ 5,130 | $ 32,388 |
| Accts. receiv., net | 205,417 | 157,740 |
| Eq. in receiv. sold to Benef. | — | 3,241 |
| * Inventories | 133,091 | 114,711 |
| Prepaid expenses | 9,804 | 17,901 |
| Current Assets | $ 353,442 | $ 325,981 |
| # Fixed assets | 66,450 | 52,272 |
| Note receiv. from related party | 5,297 | 5,775 |
| Other assets | 194 | 469 |
| Total Assets | $ 425,383 | $ 384,497 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable & long-term debt, curr. | $ 29,132 | $ 9,148 |
| Accts. payable | 68,247 | 49,288 |
| Income taxes | 6,055 | — |
| Payable to Beneficial | — | 51,551 |
| Other current liabilities | 43,058 | 54,369 |
| Curr. Liabilities | $ 146,492 | $ 164,356 |
| Long-term debt | 248,508 | — |
| Deferred inc. taxes | 3,852 | 8,069 |
| Deferred gain on sale of real est. | — | 1,544 |
| Other liabilities | 4,989 | — |
| Redeem. preferred stock | 21,381 | — |
| + Common stock | 66 | 100 |
| Add. paid-in capital | 5,904 | 77,349 |
| Retained earnings (deficit) | (5,809) | 133,079 |
| Total Liabilities & Shareholders' Equity | $ 425,383 | $ 384,497 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; no par value in 1985.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.98 | 5.18 |
| %Net Income to Sales | 1.03 | 2.90 |
| %Net Income to Equity | — | 9.93 |
| Sales to Inventories | 5.71 | 6.29 |
| Debt to Equity | — | 0.04 |
| Working Capital | $ 206,950,000 | $ 161,625,000 |
| Current Ratio | 2.41 | 1.98 |
| Shareholders' Equity | $ 161,000,000 | $ 210,528,000 |

## Wetterau Incorporated

8920 Pershall Road
Hazelwood, Missouri 63042
(314) 524-5000

**Officers:** Ted C. Wetterau, chairman and chief executive officer; Robert K. Crutsinger, vice chairman & chief administrative officer; Robert E. Mohrmann, vice chairman & chief financial officer; George H. Thomazin, president and chief operating officer; Robert J. Livingston, exec. v.p.; Robert E. Mohrmann, exec. v.p.; George Chirtea, sr. v.p.; Dick N. Dalton, sr. v.p.-communications & strategic planning; Leroy Holdman, sr. v.p.; W. Robert Tannehill, sr. v.p.; Robert L. Pomeroy, sr. v.p.; Donald D. Bennett, sr. v.p.; Matthew M. McCarthy, first v.p., gen. counsel and secretary; Roger D. Beard, v.p.-data processing; Kurt D. Blumenthal, sr. v.p.-finance; Andrew Levy, sr. v.p.-human resources; Charles A. Gauen, first v.p.-risk management; Lawrence C. Hild, v.p. and asst. secretary; Ronald S. Humiston, v.p.-public relations; Joseph W. Lintzenich, v.p.-air transportation; Williams E. Patton, first v.p.-property and facilities; Michael L. Waitukaitis, first v.p.; Willis F. Bellar, first v.p.; John C. Hembrow, first v.p.; Harlan W. Idel, treasurer; James V. Mroczkowski, first v.p.; M. Rae Lewis, first v.p.-real estate & store development; Andrew P. Blassie, v.p.; Denis C. Duker, v.p.-labor relations; William B. Winkeler, v.p. & controller; Paul L. Fort, v.p.; A. Sue Rea, asst. secretary.

**Directors:** Ted C. Wetterau*, chairman; Clarence C. Barksdale, Raymond A. Bartollaci, Jr., Raymond A. Bartolacci*, Paul A. Cox*, Robert K. Crutsinger*, Gene K. Davis, John J. Goebel*, John B. Higdon, Robert F. Hyland, Milton F. Lewis*, Robert J. Livingston*, Robert E. Mohrmann*, Richard C. Nieman*, John D. Ryan*, Stanley Simon*, George H. Thomazin*, Leonard V. Waldron*, T. Conrad Wetterau, Mark S. Wetterau.

* Member of the Executive Committee

**Business Activities:** The Company ranks as one of the largest food wholesalers in the country. Its 24 food distribution centers serve nearly 2,600 IGA, Foodland, Save-A-Lot and other retailers in 28 states. Other company subsidiaries and divisions provide a wide range of support services and products -- general merchandise, insurance, transportation, bakery products, construction, finance, training, data processing and communication services. In the retail area, the Company operates more than 130 stores, including supermarkets, combination stores, department stores, drugstores, and health food stores in 12 states.

**Divisions and Subsidiaries:**

Trans Continental Leasing, Ltd.
St. Louis, Missouri

Food Lane Supermarkets
Shop 'n Save Warehouse Stores
Laneco Stores
Bright Department Stores
Lane Department Stores
Just Be Natural Stores
Save-A-Lot Stores
Save and Pack Supermarkets
Spee-D Mart Stores
Super Dollar Stores
CRx Pharmacies
Glenn-Wohlberg & Company

Foodland Distributors
Livonia, Michigan

Wetterau Builders, Inc.
Hazelwood, Missouri

Wetterau Insurance Co., Ltd.
Hamilton, Bermuda

Wetterau Finance Co.
Hazelwood, Missouri

Wetterau Information Services Division
Florissant, Missouri

Creative Management Institute
Hazelwood, Missouri

Wetterau Communications Services
Hazelwood, Missouri

Hazelwood Farms Bakeries, Inc.
Atlanta, Georgia; Hazelwood, Missouri; McMinnville, Oregon.

**Transfer Agent(s):**

Boatmen's Trust Company
510 Locust Street
P.O. Box 14768
St. Louis, Missouri 63178

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WETT (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 131 | 1985 | 85 |
| 1987 | 135 | 1984 | 56 |
| 1986 | 65 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 4,918,229,000 | $ 43,251,000 |
| 1988* | 4,155,861,000 | 38,565,000 |
| 1987 | 3,842,182,000 | 35,040,000 |
| 1986 | 3,482,315,000 | 31,825,000 |
| 1985 | 3,100,661,000 | 26,556,000 |

| | No. of Com. Shares + | Earn. per Share ‡ |
|---|---|---|
| 1989 | 23,651,000 | $ 1.82 |
| 1988* | 24,330,000 | 1.58 |
| 1987 | 24,493,000 | 1.41 |
| 1986 | 26,875,000 | 1.45 |
| 1985 | 21,079,000 | 1.25 |

* 53 weeks.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

**Revenues by Line of Business**

| | 1989 | 1988 |
|---|---|---|
| Food distribution | $ 4,608,225,000 | $ 3,689,576,000 |
| Industries | 310,004,000 | 266,285,000 |
| Total | $ 4,918,229,000 | $ 4,155,861,000 |

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.55 | — | — |
| 1988 | 0.52 | — | |
| 1987 | 0.51 | — | — |
| 1986 | 0.47 | — | — |
| 1985 | 0.43 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1989 | $ 230,047,000 | $ 9.73 |
| 1988 | 213,927,000 | 8.79 |
| 1987 | 209,861,000 | 8.57 |
| 1986 | 243,127,000 | 9.05 |
| 1985 | 171,963,000 | 8.16 |

‡ Adjusted to reflect stock split.

**Income Account *** (000's)

| Year ended | 4/1/89 (53 weeks) | 4/2/88 |
|---|---|---|
| Net sales | $ 4,918,229 | $ 4,155,861 |
| Other income | 84,796 | 44,222 |
| Total income | $ 5,003,025 | $ 4,246,599 |
| Cost of sales | 4,464,984 | 3,763,676 |
| Expenses | 432,705 | 390,144 |
| Interest expense | 32,889 | 27,092 |
| Income before taxes | $ 72,447 | $ 65,687 |
| Income taxes | 29,196 | 27,122 |
| Net Income | $ 43,251 | $ 38,565 |

* Included in Costs and Expenses, Depreciation and Amortization: $32,810,000 in 1988 and $29,823,000 in 1987.

**Assets** (000's)

| As of | 4/1/89 | 4/2/88 |
|---|---|---|
| Cash | $ 9,166 | $ 43,105 |
| Accts. receiv., net | 159,505 | 131,394 |
| *Inventories | 297,296 | 277,487 |
| Invest. in dir. fin. leases | 4,123 | 4,360 |
| Prepaid expenses | 14,755 | 21,466 |
| Current Assets | $ 484,845 | $ 477,812 |
| Notes receivable | 56,634 | 44,643 |
| Invest. in dir. fin. leases | 32,932 | 30,329 |
| #Fixed assets | 270,446 | 245,808 |
| Intangibles | 46,274 | 41,640 |
| Other assets | 60,992 | 58,429 |
| Total Assets | $ 952,123 | $ 898,661 |

**Liabilities** (000's)

| | | |
|---|---|---|
| Short-term borr. | $ 51,244 | $ 42,305 |
| Long-term debt & cap. lease oblig., curr. | 8,635 | 9,787 |
| Accts. payable | 202,369 | 212,859 |
| Checks outstanding | 40,913 | 37,339 |
| Accruals | 81,951 | 78,797 |
| Income taxes | 4,158 | 867 |
| Curr. Liabilities | $ 389,270 | $ 381,954 |
| Long-term debt & cap. lease oblig. | 283,217 | 265,186 |
| Deferred inc. taxes | 15,588 | 21,410 |
| Other liabilities | 34,001 | 16,184 |
| +Common stock | 27,045 | 27,045 |
| Add. paid-in capital | 123,444 | 122,631 |
| Retained earnings | 170,618 | 140,394 |
| Loan of ESOP | (20,680) | (21,315) |
| Treasury stock | (70,380) | (54,828) |
| Total Liabilities & Shareholders' Equity | $ 952,123 | $ 898,661 |

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.47 | 1.58 |
| %Net Income to Sales | 0.88 | 0.93 |
| %Net Income to Equity | 18.80 | 18.03 |
| Sales to Inventories | 16.54 | 14.98 |
| Debt to Equity | 1.49 | 1.48 |
| Working Capital | $ 95,575,000 | $ 95,858,000 |
| Current Ratio | 1.25 | 1.25 |
| Shareholders' Equity | $ 230,047,000 | $ 213,927,000 |

## Weyenberg Shoe Manufacturing Company

P.O. Box 1188
234 East Reservoir Avenue
Milwaukee, Wisconsin 53201
(414) 374-8900

**Officers:** Thomas W. Florsheim, chairman of the board and chief exec. officer; Robert Feitler, president; James F. Gorman, v.p.; Peter S. Grossman, v.p.; Thomas O. McArdle, v.p.; Roland L. Keuler, secretary & treasurer; David N. Couper, v.p.; Thomas W. Florsheim, Jr., v.p..

**Directors:** Thomas W. Florsheim, chairman; Robert Feitler, Frederick P. Stratton, Jr., Frank W. Norris.

**Business Activities:** Manufactures, retails and wholesales men's footwear. Operates a nationwide chain of leased shoe departments and retail shoe stores, including Brass Boot Shoe Stores.

**Divisions and Subsidiaries:**

Nunn Bush Shoe Co., a wholly owned subsidiary of Weyenberg, manufactures, wholesales and retails men's footwear. Operates leased departments and stores including Brass Boots.

Morgan Hayes division of Nunn Bush retails men's footwear through a chain of stores and leased departments in Texas.

Adler Shoe Shops, a division of Nunn Bush Shoe Co., operates a chain of men's shoe stores in New York.

Retail Division
Stacy-Adams Division
Wholesale Division

**Transfer Agent(s):**

First Wisconsin Trust Company
Milwaukee, Wisconsin 53202

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WEYS

**Number of Stores:** (at fiscal year end)

| | Leased Depts. | Co-owned Stores |
|---|---|---|
| 1988 | 129 | 54 |
| 1987 | 103 | 57 |
| 1986 | 90 | 65 |
| 1985 | 83 | 66 |
| 1984 | 80 | 67 |

N.A.-Not Available.

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 126,295,279 | $ 5,094,496 |
| 1987 | 117,856,011 | 4,572,894 |
| 1986 | 106,702,862 | 4,309,671 |
| 1985 | 111,511,922 | 4,779,056 |
| 1984 | 108,422,459 | 4,304,600 |

| | No. of Com. Shares † | Earn. per Share † |
|---|---|---|
| 1988 | 1,098,681 | $ 4.64 |
| 1987 | 1,102,988 | 4.15 |
| 1986 | 1,177,430 | 3.66 |
| 1985 | 1,193,586 | 4.01 |
| 1984 | 1,197,830 | 3.60 |

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend + | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.78 | — | — |
| 1987 | 0.72 | — | |
| 1986 | 0.71 | — | — |
| 1985 | 0.61 | — | — |
| 1984 | 0.63 | — | — |

+ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 39,798,818 | $ 36.22 |
| 1987 | 36,522,060 | 33.11 |
| 1986 | 32,559,336 | 27.65 |
| 1985 | 32,482,631 | 27.21 |
| 1984 | 28,907,672 | 24.13 |

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

## Weyenberg Shoe Manufacturing Company

**Income Account ***

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 126,295,279 | $ 117,856,011 |
| Cost of sales | 84,616,959 | 77,645,448 |
| Expenses | 34,060,053 | 33,162,000 |
| Oper. profit | $ 7,618,267 | $ 7,048,563 |
| Interest expense | 362,657 | 181,594 |
| Interest & other income | (882,886) | (894,925) |
| Income before taxes | $ 8,138,496 | $ 7,761,894 |
| Income taxes | 3,044,000 | 3,189,000 |
| Net Income | $ 5,094,496 | $ 4,572,894 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,171,514 in 1988 and $1,028,568 in 1987.

**Assets**

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 8,239,774 | $ 4,496,298 |
| Marketable secur. | 500,000 | 2,950,000 |
| Accts. receiv., net | 20,055,405 | 18,628,826 |
| *Inventories | 18,225,688 | 19,830,884 |
| Current Assets | $ 47,020,867 | $ 45,906,008 |
| #Fixed assets | 3,674,338 | 4,298,019 |
| Other assets | 1,435,001 | 931,501 |
| Total Assets | $ 52,130,206 | $ 51,135,528 |

**Liabilities**

| | | |
|---|---|---|
| Accts. payable | $ 3,715,186 | $ 5,139,790 |
| Dividend payable | 217,647 | 197,499 |
| Accruals | 3,443,781 | 4,503,783 |
| Income taxes | 3,168,834 | 328,256 |
| Curr. Liabilities | $ 10,345,448 | $ 10,169,328 |
| Deferred inc. taxes | 501,000 | 3,288,000 |
| Deferred compensation | 1,484,940 | 1,156,140 |
| +Common stock | 819,852 | 837,678 |
| +Class B common stock | 267,960 | 267,960 |
| Add. paid-in capital | 1,302,925 | 1,102,100 |
| Retained earnings | 37,408,081 | 34,314,322 |
| Total Liabilities & Shareholders' Equity | $ 52,130,206 | $ 51,135,528 |

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 6.44 | 6.59 |
| %Net Income to Sales | 4.03 | 3.88 |
| %Net Income to Equity | 12.80 | 12.52 |
| Sales to Inventories | 6.93 | 5.94 |
| Working Capital | $ 36,675,419 | $ 35,736,680 |
| Current Ratio | 4.55 | 4.51 |
| Shareholders' Equity | $ 39,798,818 | $ 36,522,060 |

## Wherehouse Entertainment, Inc.

(Acquired by Adler & Shaykin through a leveraged buyout on Feb. 23, 1988).

19701 Hamilton Avenue
Torrance, California 90502-1311
(213) 538-2314

**Officers:** Louis A. Kwiker, president & chief executive officer; Richard H. Chapin, sr. v.p. & chief financial officer; Mary A. Keller, sr. v.p.-corp. development & secretary; Scott Young, sr. v.p.-marketing; Leonard O. Velick, v.p.-financial planning & treasurer; Barbara C. Waalkes, v.p.-store operations; Gary Leonhard, sr. v.p. & gen. mdse. mgr.; Kelly Conway, v.p.-advertising; Jesse Stancarone, v.p.-management information systems.

**Directors:** Louis A. Kwiker, Lawrence K. Harris, Donald E. Martin, George A. Smith, Joel D. Tauber, Michael T. O'Kane.

**Business Activities:** Specialty retailer of home entertainment and information software, including prerecorded music and compact discs, video movies and music, blank video and audio tape and personal and home computer software. The majority of stores are in California with the remainder in neighboring states.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1986 | 195 | 1984 | 134 |
| 1985 | 155 | 1983 | 126 |

**Sales & Earnings**

| | Revenue | Net Income |
|---|---|---|
| 1987 | $ 225,357,000 | $ 5,211,000 |
| 1986 | 108,590,000 | 4,886,000 |
| 1985 | 137,777,000 | 6,374,000 |
| 1984 | 105,542,000 | 4,467,000 |
| 1983 | 82,810,000 | 2,148,000 |

| | No. of Com. Shares # | Earn. per Share # |
|---|---|---|
| 1987 | 9,017,000 | $ 0.58 |
| 1986* | 9,015,000 | 0.54 |
| 1985 | 8,151,000 | 0.78 |
| 1984 | 7,280,000 | 0.61 |
| 1983 | 5,967,000 | 0.36 |

* 7 months
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | — | — | 5-for-4 |
| 1986 | — | — | |
| 1985 | — | — | 5-for-4 |

# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

**Common Stock Equity**

| | Total Equity | Equity Per Share # |
|---|---|---|
| 1987 | $ 56,568,000 | $ 6.27 |
| 1986 | 52,890,000 | 5.87 |
| 1985 | 48,773,000 | 5.98 |
| 1984 | 21,635,000 | 2.97 |
| 1983 | 7,565,000 | 1.27 |

# Based on the average number of common shares outstanding adjusted to reflect stock splits.

**Income Account ***

| Year ended Jan. 31 | 1987 | 1986 |
|---|---|---|
| Revenues | $ 225,357,000 | $ 108,590,000 |
| Cost of sales | 116,776,000 | 60,305,000 |
| Amort.of video rental taxes | 13,839,000 | 4,365,000 |
| Expenses | 81,064,000 | 36,426,000 |
| Interest expense | 4,778,000 | 833,000 |
| Interest & other inc. | (1,473,000) | (338,000) |
| Income bef. taxes | $ 10,373,000 | $ 6,999,000 |
| Income taxes | 5,162,000 | 2,113,000 |
| Net Income | $ 5,211,000 | $ 4,886,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $7,476,000 in 1987 and $2,401,000 in 1986.

**Assets**

| As of Jan. 31 | 1987 | 1986 |
|---|---|---|
| Cash | $ 2,387,000 | $ 923,000 |
| Receivables, net | 5,381,000 | 44,733,000 |
| *Inventories | 89,573,000 | 54,479,000 |
| Video rental tapes | 28,975,000 | 25,927,000 |
| Prepaid income taxes | 3,919,000 | 1,285,000 |
| Prepaid expenses | 2,857,000 | 1,683,000 |
| Current Assets | $ 133,092,000 | $ 89,030,000 |
| #Fixed assets | 55,635,000 | 27,998,000 |
| Intangibles | 6,754,000 | — |
| Other assets | 4,072,000 | 1,336,000 |
| Total Assets | $ 199,553,000 | $ 118,364,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 23,500,000 | — |
| Long-term debt, curr. | 5,084,000 | 2,209,000 |
| Accts. payable | 38,258,000 | 49,390,000 |
| Accruals | 2,737,000 | 3,617,000 |
| Other taxes | 1,451,000 | 975,000 |
| Income taxes | 673,000 | 731,000 |
| Curr. Liabilities | $ 71,703,000 | $ 56,922,000 |
| Long-term debt | 18,376,000 | 8,041,000 |
| Convert. subord. deben. | 50,000,000 | — |
| Deferred inc. taxes | 2,906,000 | 511,000 |
| +Common stock | 90,000 | 72,000 |
| Add. paid-in capital | 29,409,000 | 29,336,000 |
| Retained earnings | 29,568,000 | 24,357,000 |
| Treasury stock | (2,499,000) | (875,000) |
| Total Liabilities & Shareholders' Equity | $ 199,553,000 | $ 118,364,000 |

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 4.60 | 6.45 |
| %Net Income to Sales | 2.31 | 4.50 |
| %Net Income to Equity | 9.21 | 9.24 |
| Sales to Inventories | 2.52 | 1.99 |
| Debt to Equity | 0.41 | 0.19 |
| Working Capital | $ 61,389,000 | $ 32,108,000 |
| Current Ratio | 1.86 | 1.56 |
| Shareholders' Equity | $ 56,568,000 | $ 52,890,000 |

## Wickes Companies, Inc.

3340 Ocean Park Boulevard
P.O. Box 4056
Santa Monica, California 90405
(213) 452-0161

(Became a privately held corporation on April 13, 1989, via a leveraged buyout by WCI Holdings Corporation, a corporation jointly owned by Blackstone Capital Partners, L.P. and Wasserstein, Perella Partners, L.P.)

**Officers:** James R. Birle, co-chairman of the board & chief exec. officer; Lawrence P. Friedman, v.p.-human resources; Ronald D. Strongwater, v.p.-real estate; James M. Van Tatenhove, sr. v.p.-administration; James N. Castleberry, v.p. & comptroller; Michael S. Sitrick, sr. v.p.-communications; Michael Jamieson, v.p.-financial planning & analysis; Robert S. Fenton, v.p.-tax and legal & secretary.

**Business Activities:** Through its Builders Emporium subsidiary, the Company operates 96 home improvement centers in California; and 23 home improvement stores in Nevada, Arizona, New Mexico, and Texas under the "Ole's," "Cashways" and "Allwoods" names. Through its Orchard Supply Hardware division, the Company operates a chain of 30 hardware stores in northern and central California serving both the do-it-yourself and commercial markets.

Other business activities include the manufacture of upholstery, textiles and wallcovering through Collins & Aikman Corporation; the distribution of automotive parts; the manufacture of a wide range of electrical/electronic products; and finance activities.

**Divisions and Subsidiaries:**

Builders Emporium
2162 Michelson Drive
Irvine, California 92715
(714) 975-0808

WCI Financial Corp.
351 West Dundee Road
Wheeling, Illinois 60090
(312) 541-0100

Collins & Aikman Corporation
210 Madison Avenue
New York, New York 10016
(212) 578-1200

Orchard Supply Hardware

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 149 | 1985 | 800 |
| 1987 | 174 | 1984 | 2,000 |
| 1986 | 385 | | |

**Sales & Earnings**

| | Net Sales + (000's) | Net Income # (000's) |
|---|---|---|
| 1989 | $ 3,983,834 | $ (122,542) |
| 1988 | 3,776,515 | 180,511 |
| 1987 | 2,457,163 | 83,750 |
| 1986 | 1,010,427 | 76,130 |
| 1985 | 204,355 | 296,536 |

| | No. of Com. Shares ‡ | Earn. per Share #‡ |
|---|---|---|
| 1989 | 47,779,000 | $ — |
| 1988 | 47,815,000 | 3.68 |
| 1987 | 39,770,000 | 1.65 |
| 1986 | 19,662,000 | 2.35 |
| 1985 | 2,922,000 | 101.48 |

(Loss)
+ Of continuing operations only.
# Including extraordinary loss of $11,509,000 ($0.24 per share) in 1988.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reserve stock split.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | — | — | — |
| 1988 | — | — | |

**Common Stock Equity**

| | Total Equity (000's) | | Equity Per Share + |
|---|---|---|---|
| 1989 | $ 1,062,587 | ‡ | $ 22.24 |
| 1988 | 1,191,216 | ‡ | 24.91 |
| 1987 | 1,011,022 | ‡ | 25.42 |
| 1986 | 516,902 | ‡ | 26.29 |
| 1985 | 340,333 | | 116.47 |

‡ After allowing for preferred stock at liquidation value of $40 per share.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

**Income Account ***
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 3,983,834 | $ 3,776,515 |
| Cost of sales | 2,933,720 | 2,693,405 |
| Expenses | 883,727 | 814,428 |
| Costs assoc. with acq. | 25,000 | — |
| Severance & rel. costs | 26,190 | — |
| Settle. of litigation | 4,450 | — |
| Interest expense | 199,579 | 203,532 |
| Income (loss) bef. taxes | $ (88,832) | $ 65,150 |
| Income taxes | 19,761 | 26,490 |
| Income (loss)-cont. oper. | $ (108,593) | $ 38,660 |
| Income (loss)-discont. oper. | (13,949) | 153,360 |
| Net Income (Loss) | $ (122,542) | $ 192,020 |
| Extraord. loss | — | (11,509) |
| Net Income (Loss) & extraord. loss | $ (122,542) | $ 180,511 |

* Included in Costs and Expenses, Depreciation and Amortization: $148,674,000 in 1988 and $129,897,000 in 1987.

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash & short-term invest. | $ 37,411 | $ 51,292 |
| Receiv., net | 465,323 | 581,827 |
| *Inventories | 760,772 | 645,865 |
| Assets of discont. oper. | 131,417 | 647,130 |
| Other curr. assets | 73,555 | 81,697 |
| Current Assets | $ 1,468,478 | $ 2,007,811 |
| #Fixed assets | 811,662 | 766,905 |
| Investments & other receiv. | 48,382 | 59,433 |
| Purch. price in exc. of assets. acq. | 1,099,728 | 1,064,736 |
| Other assets | 145,071 | 125,195 |
| Total Assets | $ 3,573,321 | $ 4,024,080 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 42,607 | $ 267,811 |
| Long-term debt, curr. | 34,724 | 360,058 |
| Accts. payable | 297,261 | 273,988 |
| Accruals | 302,737 | 343,220 |
| Other curr. liabilities | 16,133 | 21,895 |
| Curr. Liabilities | $ 693,462 | $ 1,266,972 |
| Long-term debt | 1,636,565 | 1,358,295 |
| Cap. lease oblig. | 29,524 | 50,253 |
| Deferred inc. taxes | 105,953 | 112,094 |
| +Preferred inc. taxes | 181 | 181 |
| +Common stock | 4,777 | 4,777 |
| Add'l paid-in capital | 975,578 | 976,768 |
| Retained earnings | 109,422 | 236,488 |
| For. curr. trans. adjust. | 18,806 | 18,252 |
| Treasury stock | (927) | — |
| Total Liabilities & Shareholders' Equity | $ 3,573,321 | $ 4,024,080 |

* At lower of cost (FIFO or retail) or market, but not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Net Income to Equity | — | 11.12 |
| Sales to Inventories | 5.24 | 5.85 |
| Debt to Equity | 1.57 | 1.65 |
| Working Capital | $ 775,016,000 | $ 740,839,000 |
| Current Ratio | 2.12 | 1.58 |
| Shareholders' Equity | $ 1,107,837,000 | $ 1,236,466,000 |

## Wiener Enterprises, Inc.

5725 Powell Street
Harahan, Louisiana 70123
(504) 733-7055

Mailing address:
P.O. Box 23607
Harahan, Louisiana 70183

**Officers:** Philip Birch, chairman of the board; David D. de Carle, vice chairman of the board; Martin E. Lewis, president & chief executive officer; J. Michael Doherty, sr. v.p., secretary and treasurer; John W. E. Sharp, exec. v.p.; Frank C. Shows, v.p.; Noel J. Achor, v.p.; Wayne Foster, v.p.; Dean M. Haulton, v.p.; John Vinci, II, v.p.; Frank C. Marrison, asst. secretary.

**Directors:** Philip Birch*, chairman; David D. de Carle, Philip C. Keevil, Dean M. Haulton*, C. Gorham Phillips, John W. E. Sharp*, Martin E. Lewis*, Milton F. Lewis*.

* Member of the Executive Committee

**Business Activities:** Operates specialty apparel shops and shoe stores in Louisiana, Texas, Florida, Arkansas, Mississippi and Alabama. These stores operate under the names "Shoe Town" and "Shoe Lodge," "Danny's" and "The Ranch" (apparel and shoe operations). Also operates 10 "Builderama" building materials retail stores in Georgia and South Carolina.

**Subsidiary:**

Builderama, Inc.

**Transfer Agent(s):**

Texas Commerce Bank, N.A.
Texas Commerce Tower - 600 Travis
Houston, Texas 77002

**Stock Exchange(s):** American

**Ticker Symbol:** WPB

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 127 | 1986 | 112 |
| 1988 | 120 | 1985 | 101 |
| 1987 | 119 | | |

**Sales & Earnings**

| | Net Sales | Net Income |
|---|---|---|
| 1989 | $ 88,112,000 | $ 360,000 |
| 1988 | 84,711,000 | 847,000 |
| 1987 | 75,381,000 | 1,407,000 |
| 1986 | 58,194,000 | 1,996,000 |
| 1985 | 55,413,000 | 3,150,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1989 | 2,336,000 | $ 0.15 |
| 1988 | 2,336,000 | 0.36 |
| 1987 | 2,336,000 | 0.60 |
| 1986 | 2,336,000 | 0.85 |
| 1985 | 2,336,000 | 1.35 |

‡ Based on the weighted average number of common shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.24 | — | — |
| 1988 | 0.40 | — | |
| 1987 | 0.40 | — | — |
| 1986 | 0.40 | — | — |
| 1985 | 0.44 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 15,050,000 | $ 6.44 |
| 1988 | 15,249,000 | 6.53 |
| 1987 | 15,336,000 | 6.56 |
| 1986 | 14,863,000 | 6.36 |
| 1985 | 13,801,000 | 5.91 |

## Wiener Enterprises, Inc.

**Income Account ***

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 88,112,000 | $ 84,711,000 |
| Cost of sales | 53,085,000 | 49,571,000 |
| Expenses | 33,104,000 | 32,617,000 |
| Interest expense | 1,351,000 | 1,056,000 |
| Income before taxes | $ 572,000 | $ 1,467,000 |
| Income taxes | 212,000 | 620,000 |
| Net Income | $ 360,000 | $ 847,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $1,897,000 in 1989 and $2,196,000 in 1988.

**Assets**

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 609,000 | $ 859,000 |
| Receiv., net | 2,913,000 | 2,709,000 |
| *Merchandise inventory | 20,333,000 | 19,168,000 |
| Prepaid expenses | 693,000 | 679,000 |
| Current Assets | $ 24,548,000 | $ 23,415,000 |
| Other assets | 111,000 | 275,000 |
| #Fixed assets | 6,704,000 | 7,210,000 |
| Cost in exc. of assets acq. | 2,950,000 | 3,038,000 |
| Total Assets | $ 34,313,000 | $ 33,938,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 5,913,000 | $ 4,931,000 |
| Long-term debt, curr. | 1,065,000 | 57,000 |
| Accts. pay. & accruals | 4,968,000 | 5,680,000 |
| Curr. Liabilities | $ 11,946,000 | $ 10,668,000 |
| Other liabilities | 757,000 | 645,000 |
| Long-term debt | 6,560,000 | 7,376,000 |
| +Common stock | 2,336,000 | 2,336,000 |
| Add. paid-in capital | 66,000 | 66,000 |
| Retained earnings | 12,648,000 | 12,847,000 |
| Total Liabilities & Shareholders' Equity | $ 34,313,000 | $ 33,938,000 |

* At lower of cost or market as determined by the retail method. Building materials at LIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.65 | 1.73 |
| %Net Income to Sales | 0.41 | 1.00 |
| %Net Income to Equity | 2.39 | 5.55 |
| Sales to Inventories | 4.33 | 4.42 |
| Debt to Equity | 0.90 | 0.81 |
| Working Capital | $ 12,602,000 | $ 12,747,000 |
| Current Ratio | 2.05 | 2.19 |
| Shareholders' Equity | $ 15,050,000 | $ 15,249,000 |

## The William Carter Company

(Went private via a leveraged buyout on June 1, 1988.)

963 Highland Avenue
Needham Heights, Massachusetts 02194
(617) 444-7500

**Officers:** Manson H. Carter, chairman of the board & chief exec. officer; Richard G. Holland, Jr., president & chief operating officer; James B. Haymes, sr. v.p.-finance; James F. Mulcahy, Jr., sr. v.p.-sales; Norman A. Cohen, sr. v.p.-manufacturing; William H. Carter, II, sr. v.p.-international; L. Paul Seal, v.p.-human resources; John G. Heald, v.p.-national accounts; Richard P. Kirchner, v.p.-corporate planning; Jeremy R. Serwer, v.p.-Retail Division; Jack M. LaHargoue, v.p.-sales, Southern Region; Robert L. White, v.p.-sales, Midwestern Region; L. Terry Louis, v.p.-sales, Eastern Region; Donald J. Griffin, exec. v.p.-marketing; John A. MacEachern, v.p.-sales, Western Region; Thomas A. Moore, treasurer; Fred L. Morse, asst. treasurer & asst. secretary; Manuel Tarano, controller; Stephen W. Carter, clerk.

**Directors:** Richard G. Holland, Jr., Dana P. Carter, Manson H. Carter, Richard O. Howe, Richard W. Southgate, James B. Haymes, William H. Carter, II, Donald J. Griffin, Ellis E. Meredith.

**Business Activities:** Engaged in the production and sale of infantswear and playwear, sleepwear and underwear for children, under the brand name of "Carter's." Operates outlet stores which sell irregulars, closeout merchandise, and non-Company products.

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1987 | 58 | 1984 | 72 |
| 1986 | 62 | 1983 | 62 |
| 1985 | 67 | | |

**Sales & Earnings**

| | Net Sales | Net Income + |
|---|---|---|
| 1987 | $ 199,128,000 | $ 5,826,000 |
| 1986 | 184,989,000 | 206,000 |
| 1985 | 211,453,000 | 3,063,000 |
| 1984 | 219,230,000 | 5,543,000 |
| 1983 | 210,000,000 | 7,585,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ + |
|---|---|---|
| 1987 | 1,733,912 | $ 3.36 |
| 1986 | 1,727,732 | 0.12 |
| 1985 | 1,724,564 | 1.78 |
| 1984 | 1,717,637 | 3.23 |
| 1983 | 1,696,723 | 4.47 |

+ Including extraordinary gain of $1,751,000 ($1.02 per share) in 1984.
‡ Based on the weighted average number of common shares and common stock equivalents outstanding adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1987 | $ 0.80 | — | — |
| 1986 | 0.80 | — | |
| 1985 | 0.80 | — | — |
| 1984 | 0.77 1/3 | — | 3-for-2 |
| 1983 | 0.67 1/3 | — | — |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1987 | $ 77,343,000 | $ 44.56 |
| 1986 | 72,844,000 | 42.08 |
| 1985 | 73,900,000 | 42.83 |
| 1984 | 72,254,000 | 41.89 |
| 1983 | 67,740,000 | 39.73 |

‡ Adjusted to reflect stock split.

**Income Account ***

| Year ended | 1/2/88 | 1/3/87 |
|---|---|---|
| Net sales | $ 199,128,000 | $ 184,989,000 |
| Cost of sales | 146,588,000 | 133,759,000 |
| Expenses | 44,350,000 | 47,950,000 |
| Interest expense | 3,678,000 | 4,004,000 |
| Other income | (539,000) | (999,000) |
| Income before taxes | $ 5,051,000 | $ 275,000 |
| Income taxes | 2,551,000 | 69,000 |
| Cum. effect of change in accntng. meth. | 3,326,000 | — |
| Net Income | $ 5,826,000 | $ 206,000 |

* Included in Costs and Expenses, Depreciation: $4,888,000 in 1987 and $4,689,000 in 1986.

**Assets**

| As of | 1/2/88 | 1/3/87 |
|---|---|---|
| Cash | $ 2,347,000 | $ 493,000 |
| Short-term invest. | 4,500,000 | — |
| Accts. receiv., net | 20,244,000 | 18,168,000 |
| *Inventories | 69,205,000 | 74,068,000 |
| Prepaid expenses | 1,586,000 | 2,833,000 |
| Current Assets | $ 97,882,000 | 95,562,000 |
| #Fixed assets | 29,982,000 | 31,882,000 |
| Construc. funds held in escrow | 381,000 | 671,000 |
| Cap. leases | 3,493,000 | 3,813,000 |
| Total Assets | $ 131,738,000 | $ 131,928,000 |

**Liabilities**

| | | |
|---|---|---|
| Notes payable | $ 2,771,000 | $ 2,836,000 |
| Accts. payable | 8,497,000 | 6,011,000 |
| Accruals | 5,999,000 | 5,545,000 |
| Inc. taxes payable | 406,000 | — |
| Other curr. liab. | 3,230,000 | 2,677,000 |
| Curr. Liabilities | $ 20,903,000 | $ 17,069,000 |
| Notes payable | 28,065,000 | 35,118,000 |
| Deferred inc. taxes | 5,427,000 | 6,897,000 |
| +Common stock | 8,698,000 | 8,672,000 |
| Add. paid-in capital | 286,000 | 234,000 |
| Retained earnings | 68,486,000 | 64,047,000 |
| Treasury stock | (127,000) | (109,000) |
| Total Liabilities & Shareholders' Equity | $ 131,738,000 | $ 131,928,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 2.54 | 0.15 |
| %Net Income to Sales | 2.93 | 0.11 |
| %Net Income to Equity | 7.53 | 0.28 |
| Sales to Inventories | 2.88 | 2.50 |
| Debt to Equity | 0.40 | 0.51 |
| Working Capital | $ 76,979,000 | $ 78,493,000 |
| Current Ratio | 4.68 | 5.60 |
| Shareholders' Equity | $ 77,343,000 | 72,844,000 |

## Winn-Dixie Stores, Inc.

5050 Edgewood Court
Post Office Box B
Jacksonville, Florida 32203
(904) 783-5000

**Officers:** A. Dano Davis*, chairman of the board; Robert D. Davis*, vice chairman; James Kufeldt*, president & chairman of the executive committee; C. H. McKellar*, exec. v.p.-operations; Frank L. James*, exec. v.p.-retail planning & development; S. W. Evans*, sr. v.p.; R. J. Holmes*, sr. v.p.; H. E. Hess, sr. v.p.; C. H. McKellar*, sr. v.p.; T. E. McDonald*, sr. v.p.; T. N. Alexander, v.p.-Greenville Division; J. H. Childers, v.p. & dir.-manufacturing; C. Lester Cotton, v.p. & dir.-services; F. W. Hammond, v.p. & dir.-general merchandise; D. L. Kinsey, v.p.-Tampa Division; L. G. Libby, v.p. & dir.-security; H. F. Minshew, v.p. & dir.-meat merchandising; T. H. Moss, v.p. & dir.-human resources; L. B. Perry, v.p. & dir.-grocery merchandising; C. R. Raulerson, v.p. & dir.-information systems; L. J. Sadlowski, v.p.-Fort Worth Division; E. T. Walters, v.p.-Miami Division; G. P. Woodard, v.p. & dir.-community affairs; Jack P. Jones, v.p. & dir.-associate relations & benefits; R. P. McCook*, financial v.p.; J. J. Pecsik, v.p. & dir.-produce, frozen food & dairy merchandising; W. F. Brim, v.p. & dir.-deli/bakery merchandising; C. E. Wage, v.p.-Jacksonville Division; R. J. Ehster, v.p.-Orlando Division; H. E. Miller, v.p.-Montgomery Division; J. R. Pownall, v.p.-Raleigh Division; R. A. Sevin, v.p.-New Orleans Division; B. B. Tripp, v.p.-Charlotte Division; W. C. Calkins, v.p.-Louisville Division; D. H. Bragin, treasurer; J. W. Critchlow, mgr.-Atlanta Division; J. Shephard Bryan, Jr.,

v.p., gen. counsel & secretary; H. S. Wadford, controller; M. I. McLin, gen. mgr.-Table Supply Division.

* Member of the Executive Committee

**Directors:** R. D. Davis*, chairman; James E. Davis*, A. D. Davis*, A. Dano Davis*, T. Wayne Davis, J. Shepard Bryan, Jr.*, C. W. Waldorf, Radford D. Lovett, Charles P. Stephens, F. L. James*, Armando M. Codina, James Kufeldt, C. H. McKellar, David F. Miller.

* Member of the Executive Committee

**Business Activities:** Operates Winn-Dixie food stores in Florida, Georgia, North Carolina, South Carolina, Alabama, Mississippi, Louisiana, Virginia, Kentucky, Tennessee, Indiana, Oklahoma and Texas.

**Divisions:**

Jacksonville Division
5233 Commonwealth Avenue
Jacksonville, Florida 32205

Greenville Division
Wade Hampton Boulevard
P.O. Box 1088
Greenville, South Carolina 29602

Montgomery Division
1550 Jackson Ferry Road
P.O. Box 2029
Montgomery, Alabama 36103

Tampa Division
2400 E. Hillsboro Avenue
P.O. Box 440
Tampa, Florida 33601

Atlanta Division
5400 Fulton Industrial Boulevard
P.O. Box 4809
Atlanta, Georgia 20331

Raleigh Division
2201 S. Wilmington Street
P.O. Box 511
Raleigh, North Carolina 27602

Louisville Division
720 Locust Avenue
P.O. Box 17121, Shelby Station
Louisville, Kentucky 40217

New Orleans Division
600 Edwards Avenue
P.O. Box 51509
New Orleans, Louisiana 70150

Charlotte Division
1105 Nevada Boulevard
Post Office Box 10156
Charlotte, North Carolina 28237

Orlando Division
4401 Seaboard Road
Orlando, Florida 32808

Miami Division
1141 S. W. 12th Avenue
Pompano Beach, Florida 33064

Fort Worth Division
5500 S. Freeway
Fort Worth, Texas 76115

**Transfer Agent(s):**

American Transtech, Inc.
New York, New York
Jacksonville, Florida

**Stock Exchange(s):** New York

**Ticker Symbol:** WIN

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 1,246 | 1985 | 1,262 |
| 1987 | 1,271 | 1984 | 1,231 |
| 1986 | 1,262 | | |

**Sales & Earnings**

| | Net Sales (000's) | Net Income (000's) |
|---|---|---|
| 1988* | $ 9,007,707 | $ 116,694 |
| 1987 | 8,803,899 | 112,300 |
| 1986 | 8,225,244 | 116,391 |
| 1985 | 7,774,480 | 107,895 |
| 1984 | 7,302,369 | 115,916 |

| | No. of Com. Shares † | Earn. per Share ‡ |
|---|---|---|
| 1988* | 39,900,000 | $ 2.87 |
| 1987 | 41,200,000 | 2.72 |
| 1986 | 41,300,000 | 2.84 |
| 1985 | 40,900,000 | 2.64 |
| 1984 | 41,000,000 | 2.83 |

* 53 weeks.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of shares of common stock outstanding during each year adjusted to reflect stock split.

**Common Stock**

| | Cash Dividend ‡ | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 1.86 | — | — |
| 1987 | 1.80 | — | — |
| 1986 | 1.74 | — | — |
| 1985 | 1.68 | — | — |
| 1984 | 1.56 | — | 5-for-3 |

‡ Adjusted to reflect stock split.

**Common Stock Equity**

| | Total Equity | Equity Per Share ‡ |
|---|---|---|
| 1988 | $ 726,348,000 | $ 18.20 |
| 1987 | 739,418,000 | 17.93 |
| 1986 | 706,558,000 | 17.05 |
| 1985 | 646,777,000 | 15.81 |
| 1984 | 608,673,000 | 14.85 |

‡ Adjusted to reflect stock split.

**Income Account** *
(000's)

| Year ended | 6/29/88 (53 weeks) | 6/24/87 |
|---|---|---|
| Net sales | $ 9,007,707 | $ 8,803,899 |
| Cost of sales | 7,016,255 | 6,867,791 |
| Expenses | 1,906,297 | 1,841,518 |
| Other income | (101,841) | (95,395) |
| Interest expense | 18,172 | 15,736 |
| Income before taxes | $ 168,824 | $ 174,249 |
| Income taxes | 52,130 | 61,949 |
| Net Income | $ 116,694 | $ 112,300 |

* Included in Costs and Expenses, Depreciation and Amortization: $161,858,000 in 1988 and $163,702,000 in 1987.

**Assets**
(000's)

| As of | 6/29/88 | 6/24/87 |
|---|---|---|
| Cash & marketable securities | $ 132,383 | $ 120,169 |
| Receiv., net | 57,848 | 65,624 |
| *Inventories | 753,267 | 632,137 |
| Prepaid expenses | 45,385 | 33,140 |
| Current Assets | $ 988,883 | $ 851,070 |
| Investments & other assets | 41,817 | 31,903 |
| Prepaid inc. taxes | 54,319 | 47,297 |
| #Fixed assets | 428,962 | 487,461 |
| Total Assets | $ 1,513,981 | $ 1,417,731 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term borrowings | $ 65,000 | $ — |
| Cap. lease oblig. curr. | 2,089 | 2,551 |
| Accts. payable | 317,663 | 319,461 |
| Res. for insur. claims | 45,173 | 32,900 |
| Accruals | 160,758 | 159,871 |
| Income taxes | 40,509 | 2,008 |
| Current Liabilities | $ 631,192 | $ 516,791 |
| Cap. lease oblig. | 63,095 | 78,046 |
| Other long-term debt | 24,200 | 24,585 |
| Defined benefit plan | 3,941 | — |
| Reserve for insur. claims | 65,205 | 58,891 |
| +Common stock | 42,299 | 42,299 |
| Retained earnings | 754,764 | 713,832 |
| Treasury stock | (70,715) | (16,713) |
| Total Liabilities & Shareholders' Equity | $ 1,513,981 | $ 1,417,731 |

* At lower of cost or market. Merchandise at LIFO; mfg. and produce at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.87 | 1.98 |
| %Net Income to Sales | 1.30 | 1.28 |
| %Net Income to Equity | 16.07 | 15.19 |
| Sales to Inventories | 11.96 | 13.93 |
| Debt to Equity | 0.21 | 0.11 |
| Working Capital | $ 357,691,000 | $ 334,279,000 |
| Current Ratio | 1.57 | 1.65 |
| Shareholders' Equity | $ 726,348,000 | $ 739,418,000 |

## Wisconsin Toy Company, Inc.

(67.5%-owned by Job Lot Trading Co., Inc.)

710 North Plankinton Avenue
Milwaukee, Wisconsin 53203
(414) 274-2575

200 Fifth Avenue, #1061
New York, New York 10010
(212) 741-2125

**Officers:** Phillip Cohen, chairman of the board & president; Richard M. Wilson, exec. v.p. & president-Retail Division; Jay Cohen, exec. v.p. & pres.-Wholesale Division; Armen Bahadurian, sr. v.p.; James B. Young, v.p.; Henry H. Katz, v.p.-retail operations; Hugh S. McManus, v.p., general counsel & secretary; Ronald E. Skelton, v.p.-finance & treasurer.; A. Helene Johnson, v.p.-merchandising.

**Directors:** Phillip Cohen, chairman of the board; Richard M. Wilson, Jay Cohen, Joseph Zilber, Gerald Stein, James F. Janz, Fred A. Riebe, Robert B. Siegel, Imre J. Rosenthal.

**Business Activities:** Operates 50 retail close-out toy stores under the names "Toy Liquidators" or "Toys Unlimited" in 32 states. Also operates a wholesale close-out toy business.

**Transfer Agent(s):**

First Bank (N.A.) Milwaukee
203 West Wisconsin Avenue
Milwaukee, Wisconsin 53203

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WTOY (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 50 | 1987 | 6 |
| 1988 | 24 | | |

## Wisconsin Toy Company, Inc.

### Sales & Earnings

| | Net Sales | Net Income † |
|---|---|---|
| 1989 | $ 53,899,000 | $ 3,669,000 |
| 1988 | 34,997,000 | 2,320,000 |
| 1987 | 37,466,000 | 2,844,000 |
| 1986 | 21,964,000 | 754,000 |
| 1985 | 23,306,000 | 770,000 |

| | No. of Com. Shares | Earn. per Share † ‡ |
|---|---|---|
| 1989 | 4,650,000 | $ 0.79 |
| 1988 | 4,650,000 | 0.53 |
| 1987 | 3,750,000 | 0.71+ |

+ Pro forma; unaudited.
† Including extraordinary gain of $567,000 ($0.14 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

### Revenues By Line of Business

| | 1988 | 1987 |
|---|---|---|
| Retail | $ 26,106,000 | $ 8,953,000 |
| Wholesale | 27,793,000 | 26,044,000 |
| Total | $ 53,899,000 | $ 34,997,000 |

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 18,779,000 | $ 4.04 |
| 1988 | 15,110,000 | 3.25 |
| 1987 | 5,482,000 | 1.46 |
| 1986 | 7,638,000 | — |
| 1985 | 6,884,000 | — |

### Income Account *

| Year ended Feb. 25 | 1989 | 1988 |
|---|---|---|
| Net sales | $ 53,899,000 | $ 34,997,000 |
| Cost of sales | 33,445,000 | 22,544,000 |
| Expenses | 14,173,000 | 8,276,000 |
| Interest expense | 369,000 | 374,000 |
| Interest income | (38,000) | (87,000) |
| Income before taxes | $ 5,950,000 | $ 3,890,000 |
| Income taxes | 2,281,000 | 1,570,000 |
| Net Income | $ 3,669,000 | $ 2,320,000 |

* Included in Costs and Expenses, Depreciation and Amortization: $547,000 in 1988 and $293,000 in 1988.

### Assets

| As of Feb. 28 | 1989 | 1988 |
|---|---|---|
| Cash | $ 511,000 | $ 791,000 |
| Accts. receiv., net | 4,925,000 | 4,910,000 |
| *Inventories | 19,128,000 | 12,768,000 |
| Prepaid expenses | 729,000 | 305,000 |
| Future inc. tax benefits | 624,000 | — |
| Current Assets | $ 25,917,000 | $ 18,774,000 |
| #Fixed assets | 2,289,000 | 1,408,000 |
| Other assets | 442,000 | 446,000 |
| Total Assets | $ 28,648,000 | $ 20,628,000 |

### Liabilities

| | | |
|---|---|---|
| Notes payable | $ 6,517,000 | $ 1,949,000 |
| Accts. payable | 2,143,000 | 2,191,000 |
| Accruals | 279,000 | 861,000 |
| Accrued income taxes | 631,000 | 138,000 |
| Curr. Liabilities | $ 9,570,000 | $ 5,139,000 |
| Long-term debt | 299,000 | 300,000 |
| Deferred income taxes | — | 79,000 |
| +Common stock | 47,000 | 47,000 |
| Add. paid-in capital | 8,272,000 | 8,272,000 |
| Retained earnings | 10,460,000 | 6,791,000 |
| Total Liabilities & Shareholders' Equity | $ 28,648,000 | $ 20,628,000 |

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 11.04 | 11.12 |
| %Net Income to Sales | 6.81 | 6.63 |
| %Net Income to Equity | 19.54 | 15.35 |
| Sales to Inventories | 2.82 | 2.74 |
| Debt to Equity | 0.36 | 0.15 |
| Working Capital | $ 16,347,000 | $ 13,635,000 |
| Current Ratio | 2.71 | 3.65 |
| Shareholders' Equity | $ 18,779,000 | $ 15,110,000 |

## Wolohan Lumber Co.

1740 Midland Road
P.O. Box 3235
Saginaw, Michigan 48605
(517) 793-4532

**Officers:** David F. Wallace, chairman of the board; James L. Wolohan, president & chief executive officer; Robert F. Anderson, exec. v.p., secretary & chief financial officer; Thomas R. Wolohan, v.p.- corporate development; David G. Honaman, v.p.-administration; Edward J. Dean, controller; Gary D. Sellers, v.p.-operations; Timothy J. Stein, v.p.-merchandising; James R. Krapohl, treasurer & asst. secretary.

**Directors:** David F. Wallace, chairman; Robert F. Anderson, Richard V. Wolohan, James L. Wolohan, Herbert H. Lyon, Hugo E. Braun, Jr., Ervin E. Wardlow, Jack M. Ryder, F.R. Lehman.

**Business Activities:** Operates a chain of building materials retail centers located in Illinois, Indiana, Michigan, Ohio, Wisconsin and Kentucky.

**Transfer Agent(s):**

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

**Stock Exchange(s):** Over-the-Counter

**Ticker Symbol:** WLHN (NASDAQ)

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 45 | 1985 | 35 |
| 1987 | 42 | 1984 | 34 |
| 1986 | 39 | | |

### Sales & Earnings

| | Net Sales | Net Income |
|---|---|---|
| 1988 | $ 257,800,000 | $ 11,220,000 |
| 1987 | 228,614,000 | 9,010,000 |
| 1986 | 194,351,000 | 5,278,000 |
| 1985 | 150,732,000 | 3,492,000 |
| 1984 | 139,171,000 | 2,632,000 |

| | No. of Com. Shares ‡ | Earn. per Share ‡ |
|---|---|---|
| 1988 | 5,857,000 | $ 1.92 |
| 1987 | 5,878,000 | 1.53 |
| 1986 | 5,860,000 | 0.90 |
| 1985 | 5,853,000 | 0.60 |
| 1984 | 5,860,000 | 0.45 |

‡ Based on the average number of shares outstanding.

### Revenues by Line of Business

| | 1988 | 1987 | 1986 | 1985 |
|---|---|---|---|---|
| Dimension lumber | 13.8% | 14.5% | 13.2% | 11.9% |
| Sheething plywood | 6.4 | 6.8 | 6.9 | 6.9 |
| Other forest products | 15.6 | 15.1 | 14.6 | 14.9 |
| Building materials | 17.2 | 17.8 | 19.2 | 20.9 |
| Building hardware | 9.0 | 8.2 | 9.0 | 8.6 |
| Home decoration | 2.8 | 2.7 | 2.8 | 3.3 |
| Millwork | 17.8 | 18.4 | 17.9 | 17.7 |
| Home appliances | 4.0 | 3.6 | 3.7 | 3.3 |
| Plumbing, heating & electrical | 9.5 | 9.4 | 9.4 | 9.6 |
| Trusses & components | 3.9 | 3.5 | 3.3 | 2.9 |
| Total | 100.0% | 100.0% | 100% | 100% |

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1988 | $ 0.25 | — | — |
| 1987 | 0.21 | — | — |
| 1986 | 0.17 | — | — |
| 1985 | 0.16 | — | — |
| 1984 | 0.16 | — | — |

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 52,676,000 | $ 9.02 |
| 1987 | 43,031,000 | 7.36 |
| 1986 | 35,637,000 | 6.08 |
| 1985 | 31,296,000 | 5.35 |
| 1984 | 28,740,000 | 4.91 |

### Income Account

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 257,800,000 | $ 228,614,000 |
| Cost of sales | 185,749,000 | 166,555,000 |
| Other income | (2,726,000) | (2,903,000) |
| Expenses | 49,554,000 | 42,957,000 |
| Depreciation | 4,308,000 | 3,723,000 |
| Interest expense | 2,872,000 | 2,382,000 |
| Income before taxes | $ 18,043,000 | $ 15,900,000 |
| Income taxes | 6,823,000 | 6,890,000 |
| Net Income | $ 11,220,000 | $ 9,010,000 |

### Assets

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash & cash equiv. | $ 25,673,000 | $ 8,364,000 |
| Investments | — | 17,900,000 |
| Trade receiv. | 14,784,000 | 11,565,000 |
| *Inventories | 26,599,000 | 21,209,000 |
| Other curr. assets | 254,000 | 379,000 |
| Current Assets | $ 67,310,000 | $ 59,417,000 |
| # Fixed assets | 40,350,000 | 35,396,000 |
| Other assets | 1,096,000 | 1,010,000 |
| Total Assets | $ 108,756,000 | $ 95,823,000 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ 2,016,000 | $ 1,567,000 |
| Accts. payable | 12,657,000 | 11,427,000 |
| Employee compensation & accruals | 8,547,000 | 7,724,000 |
| Contrib. to profit sharing trust | 1,560,000 | 1,388,000 |
| Income taxes | 579,000 | 1,542,000 |
| Curr. Liabilities | $ 25,359,000 | $ 23,648,000 |

| | | |
|---|---|---|
| Long-term debt | 27,950,000 | 26,353,000 |
| Deferred inc. taxes | 2,771,000 | 2,791,000 |
| +Common stock | 5,957,000 | 5,947,000 |
| Add. paid-in capital | 1,287,000 | 1,137,000 |
| Retained earnings | 46,635,000 | 36,880,000 |
| Treasury stock | (1,203,000) | (933,000) |
| Total Liabilities & Shareholders' Equity | $ 108,756,000 | $ 95,823,000 |

• At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

**Statistical Summary**

| | | |
|---|---|---|
| % Income bef. Taxes to Sales | 7.00 | 6.95 |
| % Net Income to Sales | 4.35 | 3.94 |
| % Net Income to Equity | 21.30 | 10.94 |
| Sales to Inventories | 9.69 | 10.78 |
| Debt to Equity | 0.57 | 0.65 |
| Working Capital | $ 41,951,000 | $ 35,769,000 |
| Current Ratio | 2.65 | 2.51 |
| Shareholders' Equity | $ 52,676,000 | $ 43,031,000 |

## Woodward's Limited

101 West Hastings Street
Vancouver, British Columbia V6B 4G1, Canada
(604) 684-4967

**Officers:** Charles Namby Wynn Woodward, chairman of the board; Frank Allen Robertson, president & chief executive officer; Philip Charles McComb, sr. v.p.-Alberta Region; William J. D. Woodward, exec. v.p. & chief operating officer; Christopher C. Woodward, sr. v.p.-merchandising; Gregory John Duncan McKinstry, sr. v.p.-finance; Patricia Ann Fisher, v.p.-information services; Richard Michael Freeman, v.p.-stores; Susan Elizabeth O'Connor, v.p.-fashions; Thomas Nicholas Sebal, v.p.-human resources & distribution; Denis Luciano Zuccato, v.p.-home fashions & hardgoods; James C. Donald, v.p.-Woodwynn Stores; Leonard E. Laycock, v.p.-marketing; Larry William Seniowski, controller & secretary; Eric Brian Dempster, asst. secretary.

**Directors:** Charles Namby Wynn Woodward•, chairman; William Douglas Haig Gardiner•, James Norman Hyland, Philip Charles McComb, Frank Allan Robertson•, John Martin Tennant•, Robert Arthur White•, Margaret Elizabeth Southern, Joseph L. Braithwaite, William J. D. Woodward•, Gregory John Duncan McKinstry•, Frances Ruth Olson, Christopher Charles Woodward•, Patricia Jane Johnson.

• Member of the Executive Committee

**Business Activities:** Owns and operates retail outlets in British Columbia and Alberta. There are 26 Woodward's department stores, four Abercrombie & Fitch specialty stores offering high-quality casual apparel and sporting goods products, and 24 Woodwynn Stores, offering moderately priced family fashions, linens and bedding.

**Subsidiaries:**

Abercrombie & Fitch Co. (Canada) Inc.
Locarno Investments Limited
Thirty-one Purchasing Service Limited
Woodwynn Merchandising Ltd.
Lansdowne Food Fair Services Limited
Woodward Stores (London) Limited
Del Pak Foods Limited
Britalta Wholesale Drugs Limited

**Transfer Agent(s):**

Montreal Trust Company
Vancouver, British Columbia; Toronto, Ontario; Calgary, Alberta.

**Stock Exchange(s):** Montreal, Toronto, Vancouver, Alberta

**Ticker Symbol:** WDSA

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 54 | 1986 | 26 |
| 1988 | 48 | 1985 | 24 |
| 1987 | 26 | | |

**Sales & Earnings**

| | Net Sales † (000's) | Net Income x (000's) |
|---|---|---|
| 1989 | $ 679,201,000 | $ (13,351,000) |
| 1988 | 801,566,000 | (1,790,000) |
| 1987• | 1,126,206,000 | (6,733,000 |
| 1986 | 1,106,547,000 | 5,272,000 |
| 1985 | 1,078,603,475 | 2,778,000 |

| | No. of Com. Shares | Earn. per Share ‡ |
|---|---|---|
| 1989 | 18,333,682 | $ — |
| 1988 | 17,493,065 | — |
| 1987• | 16,769,588 | — |
| 1986 | 15,861,113 | 0.34 |
| 1985 | 15,354,821 | 0.18 |

(Loss)
• 53 weeks.
† Including service charges.
x Excluding extraordinary items.
‡ Based on the weighted average number of shares outstanding.

**Common Stock**

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.25 | — | — |
| 1988 | 0.25 | — | — |
| 1987 | 0.35 | — | — |
| 1986 | 0.40 | — | — |
| 1985 | 0.50 | — | — |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 125,289,000 | $ 12.29 |
| 1988 | 138,609,000 | 7.92 |
| 1987 | 141,224,000 | 8.42 |
| 1986 | 148,436,000 | 9.36 |
| 1985 | 219,526,000 | 14.30 |

**Income Account**
(000's)

| Year ended | 1/28/89 | 1/30/88 |
|---|---|---|
| Net sales | $ 679,201 | $ 801,566 |
| Other income | 10,619 | 7,129 |
| Total | $ 689,820 | $ 808,695 |
| Cost of goods sold | 503,032 | 608,784 |
| Expenses | 174,005 | 188,745 |
| Depreciation & amort. | 12,892 | 13,598 |
| Interest expense | 15,347 | 15,399 |
| Gain on sale of market. securities | — | (5,844) |
| Loss before taxes | $ (15,456) | $ (11,987) |
| Tax credit | (2,105) | (10,197) |
| Net Loss | $ (13,351) | (1,790) |
| Extraordinary loss | — | (1,120) |
| Net Loss & extraord. loss | $ (13,351) | $ (2,910) |

**Assets**
(000's)

| As of | 1/28/89 | 1/30/88 |
|---|---|---|
| Cash | $ 1,541 | $ 3,017 |
| Accts. receiv., net | 12,625 | 111,544 |
| •Inventories | 112,697 | 147,979 |
| Prepaid expenses | 1,662 | 1,224 |
| Current Assets | $ 128,525 | $ 263,764 |
| Cash collateral acct. | 48,474 | — |
| Investments | 3,111 | 3,111 |
| #Fixed assets | 52,123 | 55,644 |
| Assets under cap. leases | 12,195 | 11,802 |
| Def. inc. taxes | 28,554 | 26,438 |
| Other assets | 7,281 | 7,403 |
| Total Assets | $ 280,263 | $ 368,162 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Notes payable | $ 10,341 | $ 64,492 |
| Long-term debt, curr. & cap. lease oblig. curr. | 6,094 | 6,226 |
| Accts. payable & accruals | 37,484 | 56,608 |
| Curr. Liabilities | $ 53,919 | $ 127,326 |
| Long-term debt | 71,081 | 75,575 |
| Cap. lease oblig. | 11,387 | 11,453 |
| Deferred gain on sale | 11,085 | 8,079 |
| Other deferred credits | 7,502 | 7,120 |
| +Common stock | 29,534 | 25,133 |
| Add. paid-in capital | 1,270 | 1,270 |
| Retained earnings | 94,485 | 112,206 |
| Total Liabilities & Shareholders' Equity | $ 280,263 | $ 368,162 |

• At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

**Statistical Summary**

| | | |
|---|---|---|
| Sales to Inventories | 6.03 | 5.42 |
| Debt to Equity | 0.79 | 1.14 |
| Working Capital | $ 74,606,000 | $ 136,438,000 |
| Current Ratio | 2.38 | 2.07 |
| Shareholders' Equity | $ 125,289,000 | $ 138,609,000 |

## Zenith Electronics Corporation

1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-7000

**Officers:** Jerry K. Pearlman, chairman and president; Robert B. Hansen, pres.-consumer products group; Carl A. Michelotti, president-computer group; Otto M. Genutis, president-components group; James L. Faust, president-cable products; Gerald M. McCarthy, pres.-Zenith Sales Company; Michael J. Kaplan, v.p.-human resources and public affairs; Martin L. Lerner, president-CRT group; James A. Stark, v.p.-purchasing, consumer products; David S. Levin, treasurer; Kell B. Benson, v.p. & controller; Dennis J. Waldeck, secretary; John Borst, Jr., v.p. & general counsel; Bruce A. Huber, v.p.-marketing, consumer products; Peter C. Skerlos, v.p.-engineering, consumer products; M. Vincent Kamler, v.p.-manufacturing, consumer products; Michael S. Tamkin, v.p.-video display operations; John P. Frank, president-Zenith Data Systems; William E. Johnson, president-Heath Company.

**Directors:** Harry G. Beckner, Sidney Davidson•, John H. Johnson, Wilbur H. Gantz, Frederick G. Jaicks•, Arthur W. Schultz, Jerry K. Pearlman•, T. Kimball Booker, Robert B. Hansen, G. Ralph Guthrie•, Joseph S. Wright, director emeritus.

• Member of the Executive Committee

**Business Activities:** Designs, develops, manufactures and markets consumer electronics and related products. Also operates 70 Heath/Zenith Computers & Electronics retail centers in the U.S. and Canada.

**Divisions and Subsidiaries:**

Zenith Electronics Corporation
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

# Zenith Electronics Corporation

Zenith Microcircuits Corporation
1851 Arthur Street
Elk Grove, Illinois 60007
(312) 956-1550

Rauland Division
2407 W. North Ave.
Melrose Park, Illinois 60160
(312) 379-4600

Zenith Electronics Corporation
1500 No. Kostner Avenue
Chicago, Illinois 60651
(312) 745-2000

Zenith Electronics Corporation
11000 Seymour
Franklin Park, Illinois 60131
(312) 671-7550

Springfield Division
2500 E. Kearney Street
Springfield, Missouri 65801
(417) 865-8341

Zenith Electronics Corp. of Texas
6601 South 33rd Street
McAllen, Texas 78503
(512) 687-9161

Electro Partes de Matamoros, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Partes de Television de Reynosa S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith Taiwan Corporation

Zenith Electronics (Pacific) Ltd.
No. 16 Chih Chiang First Road
Chung Li-Industrial District, Chung-Li Shin
Tou-Yuan Hsien (322), Taiwan, R.O.C.

Zenith Radio Corp. of Canada, Ltd.
1020 Islington Avenue
Toronto, Ontario M8Z 5X5, Canada
(416) 231-4171

Zenith Distributing Corp. of Northern California
800 Mariposa Street
San Francisco, California 94107
(415) 621-8545

Zenith Distributing Corporation of Southern California
11945 East Pike Street
Santa Fe Springs, California 90670
(213) 699-7461

Zenith Distribution Corp. of New York
200 Meadowland Parkway
Secaucus, New Jersey 07094
(201) 330-9000

Zenith Distributing Corp. - Midstates
12600 West 93rd Street
Lenexa, Kansas 66215
(913) 888-4800

Zenith Distributing Corp. of Illinois
505 No. Northwest Avenue
Northlake, Illinois 60164
(312) 562-7300

Zenith Data Systems Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-8860

Zenith Electronics (Ireland) Ltd.
Virginia Road, Kells
County Meath, Ireland

Zenith Electronics Corp. of Arizona
217 3rd Street
Douglas, Arizona 85607

Telson De Mexico, S.A. de C.V.
217 3rd Street
Douglas, Arizona 85607

Zenith Video Tech Corporation
11000 Seymour Avenue
Franklin Park, Illinois 60131

Zenith Video Products Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025

Cableproductos De Chihuahya, S.A. De C.V.
P.O. Box 848
Brownsville, Texas 76520

Productos Magneticos de Chihuahua, S.A. de V.C.
P.O. Box 848
Brownsville, Texas 78520

Zenco De Chihuahua, S.A. De C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith/Inteq, Inc.
13860 Redskin Drive
Herndon, Virginia 22071

Veritechnology Electronics Corporation
Hilltop Road
St. Joseph, Michigan

Heath Company
Hilltop Road
St. Joseph, Michigan
(616) 982-3200

**Transfer Agent(s):**

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60690

**Stock Exchange(s):** New York, Midwest, Zurich, Basel, Geneva

**Ticker Symbol:** ZE

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1988 | 70 | 1985 | 70 |
| 1987 | N.A. | 1984 | 70 |
| 1986 | 66 | | |

N.A. -- Not Available.

**Sales & Earnings**

| | Net Sales + (000's) | Net Income ‡ (000's) |
|---|---|---|
| 1988 | $ 2,685,700 | $ 11,700 |
| 1987 | 2,362,700 | (19,100) |
| 1986 | 1,892,100 | (10,000) |
| 1985 | 1,623,700 | (7,700) |
| 1984 | 1,716,000 | 63,600 |

| | No. of Com. Shares | Earn. per Share ‡ † |
|---|---|---|
| 1988 | 26,708,475 | $ 0.45 |
| 1987 | 25,930,280 | — |
| 1986 | 23,345,227 | — |
| 1985 | 23,130,291 | — |
| 1984 | 22,144,058 | 2.88 |

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $6,400,000 ($0.25 per share) in 1988.
† Based on the weighted average number of common shares and common share equivalents outstanding.

**Revenues by Line of Business**
(000's)

| | 1988 | 1987 |
|---|---|---|
| Consumer electronics | $ 1,129,000 | $ 1,099,000 |
| Computer products | 1,356,000 | 1,036,000 |
| Systems & components | 201,000 | 228,000 |
| Total | $ 2,686,000 | $ 2,363,000 |

**Common Stock Equity**

| | Total Equity | Equity Per Share |
|---|---|---|
| 1988 | $ 503,200,000 | $ 18.84 |
| 1987 | 478,200,000 | 18.45 |
| 1986 | 431,600,000 | 18.49 |
| 1985 | 437,200,000 | 18.90 |
| 1984 | 442,800,000 | 20.00 |

**Income Account** *
(000's)

| Year ended Dec. 31 | 1988 | 1987 |
|---|---|---|
| Net sales | $ 2,685,700 | $ 2,362,700 |
| Cost of sales | 2,252,800 | 2,017,900 |
| Expenses | 378,700 | 342,700 |
| Other income | (1,900) | (9,700) |
| Gain on sale of prop. | (6,000) | (400) |
| Interest expense | 51,200 | 45,700 |
| Interest income | (4,200) | (4,600) |
| Inc. (loss) bef. taxes | $ 15,100 | $ (28,900) |
| Income taxes (credit) | 9,800 | (9,800) |
| Net Income (Loss) | $ 5,300 | $ (19,100) |
| Extraord. gain | 6,400 | — |
| Net Income (Loss) & extraord. gain | $ 11,700 | $ (19,100) |

* Included in Costs and Expenses, Depreciation: $43,100,000 in 1988 and $41,500,000 in 1987.

**Assets**
(000's)

| As of Dec. 31 | 1988 | 1987 |
|---|---|---|
| Cash | $ 17,400 | $ 19,500 |
| Marketable securities | 8,900 | — |
| Receiv., net | 488,400 | 417,700 |
| *Inventories | 579,200 | 583,600 |
| Prepaid inc. taxes | 53,300 | 51,400 |
| Prepaid expenses | 20,400 | 17,300 |
| Current Assets | $ 1,167,600 | $ 1,089,500 |
| #Fixed assets | 254,300 | 266,800 |
| Other assets | 5,600 | 16,700 |
| Total Assets | $ 1,427,500 | $ 1,373,000 |

**Liabilities**
(000's)

| | | |
|---|---|---|
| Short-term debt | $ 100,000 | $ 113,000 |
| Long term debt, curr. | 6,900 | 6,900 |
| Accts. payable | 273,200 | 220,500 |
| Accruals | 81,500 | 72,200 |
| Accrued payroll | 46,200 | 53,900 |
| Income taxes | 7,800 | 2,300 |
| Prod. warranties | 34,400 | 42,900 |
| Co-op adv. & merch. prog. | 34,900 | 36,400 |
| Curr. Liabilities | $ 584,900 | $ 548,100 |
| Long-term debt | 308,600 | 315,400 |
| Deferred inc. taxes | 30,800 | 31,300 |
| +Common stock | 26,700 | 25,900 |
| Add. paid-in capital | 145,300 | 132,800 |
| Retained earnings | 331,200 | 319,500 |
| Total Liabilities & Shareholders' Equity | $ 1,427,500 | $ 1,373,000 |

* At lower of cost (majority at FIFO; remainder at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

### Statistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 0.56 | — |
| %Net Income to Sales | 0.44 | — |
| %Net Income to Equity | 2.33 | — |
| Sales to Inventories | 4.64 | 4.05 |
| Debt to Equity | 0.83 | 0.66 |
| Working Capital | $ 582,700,000 | $ 541,400,000 |
| Current Ratio | 2.00 | 1.99 |
| Shareholders' Equity | $ 503,200,000 | $ 478,200,000 |

## Zion's Co-operative Mercantile Institution

2200 South 900 West
Salt Lake City, Utah 84137
(801) 321-6179

**Officers:** Marvin J. Ashton, chairman of the board; L. Tom Perry, vice chairman; Lowell M. Durham, Jr., president & chief exec. officer; Darrell F. Robinette, v.p.-stores; Keith C. Saunders, executive v.p., chief financial officer & secretary; R. Barry Arnold, v.p. & general merchandising manager; Nancy Mortenson, v.p.-marketing services; Ronald L. Culverwell, asst. secretary & treasurer.

**Directors:** L. Tom Perry, Spencer F. Eccles, Patricia Madsen, Marvin J. Ashton, Lowell M. Durman, Jr., A. Blaine Huntsman, Dan S. Bushnell, James S. Jardine, Keith C. Saunders, Lela Ence, Patricia T. Holland, Richard H. Madsen.

**Business Activities:** Operates 13 ZCMI department stores in Utah and Idaho.

**Transfer Agents:**

Zion's Co-operative Mercantile Institution
Salt Lake City, Utah 84137

**Stock Exchange(s):** Over-the-Counter

**Number of Stores:** (at fiscal year end)

| | | | |
|---|---|---|---|
| 1989 | 13 | 1986 | 10 |
| 1988 | 10 | 1985 | 9 |
| 1987 | 10 | | |

### Sales & Earnings

| | Net Sales ‡ | Net Income |
|---|---|---|
| 1989 | $ 189,009,144 | $ 2,244,676 |
| 1988 | 184,158,029 | (163,458) |
| 1987 | 184,259,332 | 2,254,819 |
| 1986 | 164,783,867 | 1,711,279 |
| 1985 | 159,511,660 | 7,604,944 |

| | No. of Com. Shares | Earn. per Share † |
|---|---|---|
| 1989 | 2,154,374 | $ 1.04 |
| 1988 | 2,153,362 | — |
| 1987 | 2,161,457 | 1.04 |
| 1986 | 2,161,509 | 0.79 |
| 1985 | 2,161,509 | 3.52 |

(Loss)
‡ Includes other income.
† Based on the weighted average number of shares outstanding.

### Common Stock

| | Cash Dividend | Stock Dividend | Stock Split |
|---|---|---|---|
| 1989 | $ 0.60 | — | — |
| 1988 | 0.60 | — | |
| 1987 | 0.60 | — | — |
| 1986 | 0.60 | — | — |
| 1985 | 0.60 | — | — |

### Common Stock Equity

| | Total Equity | Equity Per Share |
|---|---|---|
| 1989 | $ 51,930,252 | $ 24.10 |
| 1988 | 50,969,773 | 23.67 |
| 1987 | 52,561,269 | 24.32 |
| 1986 | 51,619,114 | 23.88 |
| 1985 | 51,204,740 | 23.69 |

### Income Account *

| Year ended Jan. 31 | 1989 | 1988 |
|---|---|---|
| Net sales & other income | $ 189,009,144 | $ 184,158,029 |
| Cost of sales | 123,166,937 | 121,365,532 |
| Expenses | 58,677,296 | 59,584,261 |
| Interest expense | 3,601,535 | 3,565,694 |
| Income (loss) before taxes | $ 3,563,376 | $ (357,458) |
| Income taxes (credit) | 1,318,700 | (194,000) |
| Net Income (Loss) | $ 2,244,676 | $ (163,458) |

* Included in Costs and Expenses, Depreciation and Amortization: $3,992,720 in 1989 and $3,756,875 in 1988.

### Assets

| As of Jan. 31 | 1989 | 1988 |
|---|---|---|
| Cash | $ 1,338,422 | $ 802,027 |
| Receiv., net | 46,731,796 | 48,805,584 |
| *Inventories | 31,407,594 | 26,902,939 |
| Prepaid expenses | 399,336 | 357,863 |
| Current Assets | $ 79,877,148 | $ 76,868,413 |
| #Fixed assets | 32,392,334 | 33,519,812 |
| Other assets | 791,180 | 750,525 |
| Total Assets | $ 113,060,662 | $ 111,138,750 |

### Liabilities

| | | |
|---|---|---|
| Long-term debt, curr. | $ 222,856 | $ 187,760 |
| Cap. lease oblig., curr. | 1,146,803 | 1,298,657 |
| Accts. payable | 3,768,685 | 4,696,125 |
| Short-term borrowings | 7,750,000 | 3,000,000 |
| Accrued payroll | 1,790,882 | 1,919,254 |
| Income taxes | — | 456,869 |
| Other accruals | 7,102,101 | 6,534,754 |
| Deferred inc. taxes | 3,492,814 | 4,783,329 |
| Curr. Liabilities | $ 25,274,141 | $ 22,876,748 |
| Long-term debt | 17,178,422 | 17,385,186 |
| Cap. lease oblig. | 18,627,393 | 19,774,196 |
| Deferred inc. taxes | 50,454 | 132,847 |
| +Common stock | 14,904,704 | 14,904,704 |
| Retained earnings | 37,252,914 | 36,299,463 |
| Treasury stock | (227,366) | (234,394) |
| Total Liabilities & Shareholders' Equity | $ 113,060,662 | $ 111,138,750 |

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

### Sestistical Summary

| | | |
|---|---|---|
| %Income bef. Taxes to Sales | 1.89 | — |
| %Net Income to Sales | 1.19 | — |
| %Net Income to Equity | 4.32 | — |
| Debt to Equity | 0.87 | 0.82 |
| Working Capital | $ 54,603,007 | $ 53,971,383 |
| Current Ratio | 3.16 | 3.36 |
| Shareholders' Equity | $ 51,930,252 | $ 50,969,773 |

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